FINANCIAL TIMES
No. 26,835 Wednesday December 3 1975 ** 10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.28; DENMARK Kr.2.75; FRANCE Fr.2.30; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pts.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Dutch tighten siege of train

The Dutch Government was determined last night not to yield to the demands of two gunmen holding more than 40 captives in a hi-jacked train near the town of Beilen. A Justice Ministry official said: "We are not going to sit and wait passively for what happens."

After nightfall, five of the original 50 captured passengers

had escaped from the train, which was surrounded by special Army units, police marksmen and armour. The gunmen were believed to be South Moluccans campaigning for their islands' independence from Indonesia, formerly the Dutch East Indies.

Earlier in the day they shot the train's driver and an unidentified passenger and threw their bodies on to the tracks. Police suspected that a third dead person might be on the train.

Double murder in Derry

A gunman stepped into a crowded Londonderry cafe yesterday and shot dead two Protestant businessmen—Alexander Mitchell, 46, and Charles McNaul, 56. In Belfast, an Army expert defused the second 30 lb. bomb in the Russell Court Hotel in 24 hours. Security sources said that Paul Fox, killed by his own bomb on Monday night, was an ex-IRA detainee released early this year.

McWhirter man named by police

Scotland Yard said one of the killers of Mr. Ross McWhirter uses the name Michael Wilson and that he is wanted in connection with the Hammersmith bomb factory discovered in February.

Mr. McWhirter's twin brother, Norris, publicly appealed for a campaign for individual freedom and a stand against intimidation. But police advised him not to attend a public meeting last night.

Page 9

Aircraft Bill majority of 5

The Commons last night approved by 280 votes to 275 the second reading of the Aircraft and Shipbuilding Industries Bill. Back Page; Parliament, Page 16.

Ford and Mao talk for 2 hours

President Ford met Chairman Mao Tse-tung for nearly two hours and had an even longer foreign policy talk with other Chinese leaders. Page 5

Briefly . . .

Troops manned road-blocks and checked cars around Heathrow Airport in an anti-terrorist exercise.

Picasso self-portrait fetched £3,500 and a Modigliani a record £189,000 at Christie's. Saleroom Page 2

In the Stockholm tennis tournament, Ilie Nastase (Romania) beat M. Orantes (Spain), 3—6, 6—4, 6—4. Page 13.

Mrs. Margaret Thatcher, the Conservative leader, plans to visit Egypt and Syria next month and Israel in mid-March.

A song recorded by Laurel and Hardy in 1937 is number nine in this week's British music charts.

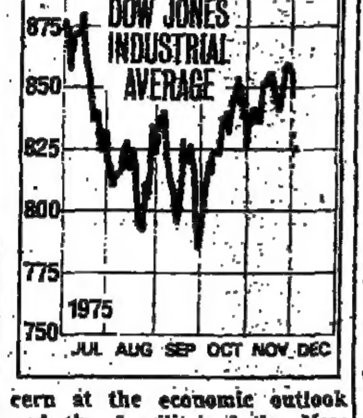
BUSINESS

Equities gain 5.4; Wall St. falls 13.14

● EQUITIES saw more active trading as the rally continued. Profit-taking later left prices below their best. The FT 30-share index—up 7.6 at 2 p.m.—closed with a net gain of 5.4 at 366.6. The Gold Mines index rebounded ten points from a two-year low to 228.4, helped by a recovery in bullion.

● GILTS were quiet. Shorts held a firm undertone and longs steadied after recent uneasiness.

● WALL STREET fell 13.14 to 843.20. The market showed con-



cern at the economic outlook and the fragility of the New York rescue programme.

● STERLING remained fairly steady. It lost 5 points to $2.0205 but its weighted depreciation held at 30.2 per cent. after touching an all-time low of 30.3 per cent. at noon. The dollar was again firm: its weighted fall narrowed to 1.98 (2.04) per cent.

● GOLD gained $1¼ to close at $139¾.

● U.K. OFFICIAL RESERVES fell by $107m. last month to $5.6bn., mainly as a result of the strength of the dollar. In the past seven months the reserves have dropped by $1.5bn. Back Page

£186m. Iran order for U.K.

● IRAN is to buy British Aircraft Corporation anti-aircraft missiles in a £186m. deal announced yesterday. Back Page

● FAST BREEDER nuclear reactor technology in Britain has received tacit approval for the next stage in its development from the U.K. pollution "watchdog." Back Page

● NIGERIAN Central Bank funds of about DM12m. held by Deutsche Bank have been frozen by a Frankfurt civil court. The money will be held until a DM40m. claim in connection with Nigeria's cement deliveries problem is settled. Back Page.

● LORD RYDER, chairman of the National Enterprise Board, has been appointed a member of the National Economic Development Council. Page 11

● TWO MORE UNIONS, the National Graphical Association and the AUEW, have withdrawn from talks on technological changes at national newspapers. Page 15

● STOCK EXCHANGE turnover in equities again improved last month, rising a further £100m. to £1.5bn. The number of bargains increased by 13,336 to 381,771. Page 13.

COMPANIES

● RANKS Hovis McDougall pre-tax profits for the year ended August 30 rose to £30.22m. compared with the May forecast of not less than last years' £22.83m. Page 21 and Lex

● STANDARD Chartered Bank half-year pre-tax profits have improved to £46.73m. (£42.72m.). Interim dividend is raised to 6.75p (6.25p). Page 22 and Lex.

● MARTELL, the French brandy group, is to be introduced to the Paris Stock Exchange. Page 23

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Alexanders Discount	315	+ 15
Assoc. Book Publshrs.	55	+ 5
Assoc. Televsn. 'A'	66	+ 4
[illegible] (A.)	130	+ 8
[illegible]vater	165	+ 6
[illegible]oride	104	+ 7
[illegible]tain (R.)	232	+ 8
Daily Mail 'A'	175	+ 7
[illegible]	234	+ 6
[illegible]r Ready	109	+ 6
[illegible]nwed	100½	+ 5
[illegible]dys	75	+ 4½
[illegible]tair	73	+ 6
[illegible] (Chas.) of Bristol	93	+ 8
Johnson Matthey	317	+ 17
[illegible]ng (J.) 'A'	128	+ 6
[illegible]e and Elliot	73	+ 10
[illegible] Westminster	240	+ 8
[illegible]d Intnl.	288	+ 10
Royal Ins.	306	+ 8
Standard & Chart.	473	+ 13
Strong & Fisher	78	+ 3
Tube Invs.	296	+ 8
Vickers	146	+ 7
Weyburn Eng.	365	+ 17
BP	568	+ 8
Anglo American	372	+ 14
Anglo American Gold	£27⅞	+ 1¼
Blyvoor	665	+ 45
Emperor Mines	80	+ 10
Libanon	570	+ 45
Union Corp.	400	+ 20

FALLS

Chown Secs.	7	− 2½
Furness Withy	187	− 6
Jones & Shipman	60	− 4
Milford Docks	40	− 10
Siebens Oil (U.K.)	240	− 145
Woodside-Burmah	114	− 6
B. H. South	190	− 10
Pancontinental	915	− 15

UK drops seat claim in Summit package

By REGINALD DALE, ROME, Dec. 2

THE EEC summit to-night agreed a major compromise package deal to end the bitter dispute between Britain and the Eight over the U.K.'s demand for a separate seat at the forthcoming North-South conference in Paris.

After a long day of aggressive negotiation that included a sharp confrontation between Mr. Harold Wilson and Herr Helmut Schmidt, the West German Chancellor, the Prime Minister agreed to Britain taking part in an EEC delegation in Paris, provided the U.K. could speak from within the body of the joint delegation when its national interests demanded.

Details of the deal were still emerging here to-night. But it was clear that the U.K. would not have a separate seat, distinct from the Community delegation, in its own right. There were indications that this was not to the liking of Mr. James Callaghan, the Foreign Secretary, who originated the separate seat demand.

The agreement was that during the Paris conference the President of the EEC delegation could invite two additional EEC countries to make "statements or remarks." These two countries will be the U.K. and Luxembourg, which takes over the presidency of the Community on January 1.

Other elements of the package were said to include agreement by the Eight to back an oil "floor price" of $7 a barrel, and French agreement to join her Community partners in an emergency oil-sharing scheme. Both these would represent French concessions presumably aimed at saving the conference from postponement—the almost inevitable outcome of a failure to agree here to-night. French

Moves towards Community passports for issue in 1978, Page 6

officials, however, were still maintaining that a fully-fledged floor price was not involved.

Herr Schmidt said German agreement to a floor price, which Britain has long sought, also represented a concession in the interests of political solidarity.

A further element of the package, it was rumoured in the corridors here, could be a British undertaking to make North Sea oil available to the other EEC countries under "competitive conditions." This would presumably involve British agreement not to sell oil to U.K. industry at prices lower than those available to her EEC partners.

The outlines of the package emerged after a day of bad-tempered exchanges, which placed severe strain on Mr. Wilson's relations with the other eight Heads of Goverment, and at one point threatened to do serious and lasting damage to EEC unity.

The row between the Prime Minister and Herr Schmidt erupted after Mr. Wilson told the conference he was not joking in suggesting that the U.K. might well join the Organisation of Petroleum Exporting Countries (OPEC) in three years' time. This could lead to conflicts with the U.K.'s EEC obligations, he claimed.

Herr Schmidt retorted that Britain as yet had no oil, and, he implied, precious little money. The U.K. needed help from the Community and it would not be to Britain's advantage to torpedo the joint Community position for the Paris talks.

The British attitude could lead to a major backlash from the EEC, Herr Schmidt warned. Germany, he remarked, was the only one of the Nine that stood a good chance of surviving if the EEC disintegrated others might not be so fortunate.

The dispute over the Paris conference broke out after the summit's second day had got off to a good start with agreements on direct elections to the European Parliament and the introduction of a European passport—both to take effect from 1978. Britain and Denmark did not fully commit themselves to the 1978 target date for direct elections, but both countries said they would see what they could do to follow the other seven.

At yesterday's session, Mr. Wilson had originally suggested postponing a decision on direct elections until the next EEC summit in three or four months' time, and had cast grave doubts on whether the U.K. could meet the 1978 deadline.

Mr. Wilson was also reported to have promised during lunchtime talks to consult the Commission on any British decision to introduce import restrictions. He had been pressed to clarify his position in the light of rumours here last night that Britain intended to act without following proper Community procedures.

In a bilateral meeting with Mr. Wilson, Signor Aldo Moro, the Italian Prime Minister, expressed his Government's regret at the "hasty" decision by British Leyland to close its Italian subsidiary Innocenti. Mr. Wilson replied that the Government did not interfere in the running of British Leyland, but said he would supply Signor Moro with up to date information on the company's position.

Mr. Leo Tindemans, the Belgian Premier, told the summit his report on European union would be ready on schedule by the end of the year. He gave no indication of the report's contents to-day, other than to assure his colleagues that it would be "realistic."

Israeli jets hit Lebanon guerilla bases

BY OUR FOREIGN STAFF

LARGE-SCALE ISRAELI air raids on Palestinian camps in the Lebanon yesterday—in an apparent reaction to growing diplomatic and political pressure as well as retaliation for recent terrorist raids—killed more than 70 and wounded 100 people.

Thirty Israeli fighter-bombers rocketed and bombed two refugee camps near the port of Tripoli in the north, and hit the Nabatiyeh camp in the south. Official Lebanese sources said 10 or 12 of the dead were Lebanese, the others are presumed to be Palestinian.

The strikes, lasting an hour, were the first since September, and coincided with the start of a debate in the Jerusalem Knesset, in which Mr. Yitzhak Rabin, the Prime Minister, condemned the latest diplomatic set-back for Israel in the U.N. Security Council, in which the renewal of the peace-keeping mandate on the Golan Heights was linked to a full-scale debate on the Palestinian question.

As many as 19 people were killed in the Nabatiyeh area, which was practically razed in an Israeli attack in May last year, and many more died in the north.

Mr. Zuheir Mohsen, chief of the military department of the Palestinian Liberation Organisation (PLO), said the attack would not go unpunished, and "we will seek vengeance with all available methods." Last night three Israeli border towns came under rocket and mortar fire from Lebanese territory and two Israelis were wounded.

An Israeli reprisal operation had been expected since Palestinian guerillas struck at an Israeli community on the Golan Heights a week ago, killing three youths, and the bomb attack in Jerusalem earlier in November which killed six and wounded 40 people.

The retaliation was clearly timed to come after the visit of Dr. Kurt Waldheim, the UN Secretary General, to the area last week, and the Security Council debate at the week-end on extension of the UN forces' peace-keeping mandate on the Golan Heights.

The timing of the raids was equally political, in that they came so soon after the conclusion of the UN debate, calling for consideration of the Middle East conflict by the Council with the probable participation of PLO representatives.

Israel has steadily been forced into a tight corner in recent weeks over the issue of whether the PLO should be included in future Middle East talks. This has been reinforced by the apparent erosion of the U.S position on Palestinian participation.

Mr. Rabin warned the Knesset and a Labour Party meeting yesterday that replacement of Israel-Arab negotiations with possible action by the Security Council might herald an imposed solution to the conflict.

The strength of yesterday's military response clearly reflects a profound feeling of frustration on the part of the Israelis—already incensed by the recent UN General Assembly resolution equating Zionism with racism.

In a separate development, the United States has moved swiftly to soothe Israeli feelings, following the Security Council meeting, by inviting Mr. Yigal Allon, the Israeli Foreign Minister, to Washington before next month's debate on the Middle East.

Informed sources confirmed yesterday that the invitation had been accepted, although it has not yet been made public.

Peace prospects worsened, Page 8

Low Leyland stocks bring fear of new import boom

BY PETER FOSTER

STOCKS of British Leyland cars in many showrooms are at an all-time low and the stoppages of Mini and Allegro production at Longbridge and of the Princess at Cowley could destroy hopes of an early build up.

It is feared that this situation — combined with Chrysler's severe problems—could lead to a record share of the British market being gained by car importers in the early months next year.

U.K. manufacturers estimate that importers hold more than 50 per cent. of total stocks, while British Leyland is thought to hold only 15 per cent. or less than two months' supplies.

If industrial disputes continue to prevent stocks from reaching BL showrooms, dealers fear a bonanza for foreign car importers in January, which is normally a buoyant month for new car sales.

Dealers reacted angrily yesterday to the prospect of further industrial disruptions robbing them of supplies, although some also accused British Leyland management of having misjudged the U.K. car market in the latter half of this year.

BL's Superdeal incentive campaign in August and September emptied showrooms and the company has been unable to refill them.

Mr. M. Bradstock, chairman of University Motors, one of British Leyland's larger dealers, said yesterday: "Stocks have been pathetic except for Minis since the end of Superdeal and are now below the levels of summer 1973.

"It is a disaster that we were allowed to reach the crest of the wave in October, when the public has never been more interested in BL cars, and then

Seven internal drivers from Leyland's Oxford Radiators subsidiary meet to-day to consider whether to continue their week-old strike over regrading demands that has halted production of Princess, Allegro, Mini and MG cars and made 6,500 workers idle.

suddenly that there were no more vehicles to sell."

Colonel C. R. Gray, managing director of the Dutton Forshaw Group, another major BL dealer with around 60 outlets throughout the country, said that supplies had almost dried up since the end of October and that the situation had not recovered since then.

He emphasised that there were shortages across the whole range, although most customers could still be supplied with something "off the peg" as long as they were not too specific about features like body colour and interior trim.

A British Leyland spokesman, emphasising that the company appreciated the dealers' problems, admitted that demand in the current half of 1975 had been better than anticipated.

Leyland had been eager to clear stocks of its Allegro "One" and Marina "One" models ahead of the introduction of the "Two" versions at the London Motor Show in October, but industrial disputes were destroying chances of building up supplies ahead before the New Year.

"Dealers are in for a hard time over the next few months," he admitted.

Demand is traditionally low in December as potential buyers wait for the new calendar year, but although this could allow BL to regain some of its market share before Christmas, January is likely to be the testing month.

BL penetration dropped to 22 per cent. of the market in October following 38 per cent. in September. When November sales are announced later this week the company's share is not likely to be more than 25 per cent.

There is anxiety in the industry, that if the Government decides to reduce hire-purchase controls on car sales, this will stimulate a market which the British car makers cannot supply, while importers have an average of five months' stocks.

John Bourne writes: Mr. Denis Healey, the Chancellor, is understood to be awaiting the Cabinet's final decision on Chrysler before formulating his promised measures to help employment.

These further measures are expected by Labour MPs to include temporary selective import controls on cars and an easing of hire-purchase terms to give a boost to the U.K. car manufacturers and to some other industries.

Swan Hunter not to publish results for first half

BY JOHN WYLES, SHIPPING CORRESPONDENT

UNCERTAINTIES about the future of a major slice of its shipbuilding order book prompted a surprise announcement from the Swan Hunter Group yesterday that it would not be publishing its results for the first half of 1975.

This move, which coincided with the Parliamentary Second Reading of the Shipbuilding and Aerospace Nationalisation Bill, stems from the continuing reluctance of the Maritime Fruit Carriers subsidiary, Swan Maritime, to take up options on orders for 13 ships placed with Swan Hunter.

Cancellation of these orders would pose a threat to many of the 24,000 jobs in the Swan Hunter Group and would be a major blow to the country's largest shipbuilding company on the eve of its nationalisation.

Against this background, the company is involved in continuing discussions with the Government, while trying to find firm buyers for some of the ships which are earmarked for Swan Maritime but still only numbers on the order book.

Explaining the non-publication of its figures, the group outlined some of this background in a characteristically terse statement yesterday.

Although Swan Hunter Shipbuilders had "considerable" work in hand at the moment, a significant proportion of its future merchant ship workload was for Swan Maritime.

In its first public acknowledgement that some of these orders were now doubtful, Swan Hunter admitted that "it is possible that several of these ships will not be built or that their construction will be postponed.

"In the meantime, negotiations for these or similar ships are continuing with other ship owners, but it is not yet possible to predict the outcome, and in view of the impending nationalisation of the shipbuilding industry it was thought right to advise the Government of the situation."

Until decisions had been made on the issues involved, the group's directors felt "it would be imprudent to predict the results of Swan Hunter Shipbuilders for 1975," but it was their opinion "that the results from its other shipbuilding companies and other activities will enable the group to show a profit in 1975."

Immediate

The tanker surplus afflicting the world's shipowners is at the root of Swan Hunter's problems.

The group joined with Maritime Fruit Carriers in 1973 to form Swan Maritime, taking a 25 per cent. holding and winning from the new company orders and options for 26 ships, valued then at £150m., including at least four 260,000 tons d.w. crude oil carriers and several products tankers.

Swan Hunter has told its employees that it has enough firm orders to keep its six Tyne yards fully employed for the next eight to ten months.

After that, the future could be bleak unless Swan Maritime confirms its options or alternative orders are won.

But Maritime Fruit Carriers, with its 75 per cent. stake in Swan Maritime, is trying to drive a hard bargain.

Mr. Yaacov Meridor, the company's managing director, has been pressing for prices 10 to 15 per cent. above present Japanese levels and a delayed delivery on the 13 ships of up to two years on original schedules.

This can hardly be an attractive proposition to Swan Hunter, since some Japanese yards are prepared to build ships up to 40 per cent. below British prices.

Lex, Back Page

£ in New York

—	Dec. 2	Previous
Spot	$2.0200-0210	$2.0205-0215
1 month	0.34-0.29 dis	1.01-0.26 dis
3 months	2.30-2.34 dis	2.36-2.41 dis
12 months	7.60-7.70 dis	7.90-7.80 dis

ON OTHER PAGES

LOMBARD

Why industry must speak up

BY C. GORDON TETHER

THE REPORT on "Company Finance in Europe" prepared by members of the Department of Accountancy at Birmingham University on behalf of the Institute of Chartered Accountants has one merit that transcends all others. For it should dispose, once and for all, of the fiction nurtured by defenders of the City establishment—that the great bulk, if not all, of the criticism of the financial community's attitude towards financing investment at home is politically inspired. And that should greatly help to clear the way for a really meaningful debate on how the financial system can be most effectively remodelled to enable it to start serving the national interest in the fullest sense.

The main conclusion reached by this politically impartial research exercise is that the City must *shoulder much of the* blame for Britain's industrial decline because the Stock Exchange and the financial institutions *have behaved in extremely myopic fashion in* concentrating on a search for quick profits and chasing investment *fashions. Spelling out this message*, the report points out that the financial intermediaries who are responsible for channelling *available funds into companies* have not been prepared to invest long-term in British industry.

Sour fruits

This has not only meant, it *adds, that British companies* have been under great pressure to invest for short-term profits: it has also meant that they have had to pay appreciably more for capital than their foreign rivals, with the inevitable result that there have been fewer opportunities for profitable investment here than abroad.

It cannot even be said that the City emphasis on short-term returns, mergers, take-overs and property investment, which has militated in such serious fashion *against long-term industrial* investment in Britain, has been a big success story from its own point of view. We all know *just how sour the fruits of much* of this activity have turned out to be and that the accountants' report is certainly not guilty of *over-statement when it says that* "the London capital market has not been over-successful in allocating funds to the most productive investment opportunities."

It would be difficult to conceive of a more damning indictment. And the inescapable conclusion emerges that any serious attempt to reverse Britain's industrial decline must *provide for a thorough restructuring* of the London capital market aimed at ensuring that henceforward it pays adequate *attention to meeting the requirements* of the home side.

One thing that, I am convinced, could make an immense contribution to this process would be what Mrs. Judith Hart, the *Labour* MP and former Minister, referred to in her address on Monday to the FT's Copenhagen conference as "a change in the balance between men who know about production and the men of the City." There would be "a real revolution in industry," she argued, if the managers concerned with the productive and technological processes were "to rise up and speak."

British industry has for some time past been too closely identified with the financial *system for its own good*. For this has meant that it has been far too ready to allow its behaviour and attitudes to such *crucial* issues as de-industrialisation to be influenced, if not determined, by the stand taken by the financial institutions.

More promising

Plenty of evidence to support this contention can be adduced. How, otherwise, do you explain the fact that, until comparatively *recently, industrialists who were* prepared to complain about the unhelpful attitudes to home investment pointed up in the *Birmingham University report* were extremely few and far between? And what other explanation is there for industry's *all-but-total lack of dissent from* the theme that entering Europe would be of immense benefit to British companies of all kinds?

It is no secret that many industrialists were far from persuaded that it would be good for their companies. There can be *little doubt that, if they remained* silent, it was often mainly because they feared that introducing a discordant note would "complicate" their relations with the financial establishment.

It is, of course, possible to argue—as Mrs. Hart did in her Copenhagen address—that the "democratisation" of industry would materially strengthen the fire-power of producers in relation to that of the financial community. But it is far from certain that this would be an adequate solution for the problem. And, in any case, it would obviously take some time to make itself felt.

A much more promising line of attack in the immediate sense, surely, would be to work for a better balance between *industrialists and financial* managers. Those who have the job of running industry must find the courage to "rise up and *speak" much more often. And* the Confederation for British Industry must give them a lead by making itself less "Big Business" oriented—the heavy-weight companies being more inclined, because of their international involvements, to be closely associated with the views and attitudes of the financial community than the rest of the industrial system.

SALEROOM — BY ANTONY THORNCROFT

Modigliani sets £189,000 record

Trevor Humphries

The scene at Christie's yesterday as the Modigliani on the right, Le Garçon en Culottes, fetched £189,000.

CHRISTIE'S YESTERDAY held an extremely successful sale of Impressionist and Modern paintings, the best for a couple of years. Three artists established new record prices for their work and the total was £2,422,350.

The strength of the international bidding, and the fact that the lots unsold were less than 20 per cent., suggests a renewal of confidence in what had been a doubtful sector of the art market.

The highest price was the £283,500 paid by an anonymous French private buyer for an early Picasso, a self-portrait of 1901.

It was bought in 1912 by Hugo von Hofmannsthal, the Austrian librettist, with his first royalties from Der Rosenkavalier. He acquired a Hodler at the same time and the two pictures were bought for DM13.000 with the Hodler costing the greater sum.

Interest

The Picasso was sold by the executors of the late Mr. *Fletcher Jones, founder of Computer* Sciences Corporation of Los Angeles, who was killed in a crash while piloting his own plane in 1972.

He had paid £147,000 for the painting at Christie's in 1970. The price yesterday was above forecast and near the *£340,000* record for a Picasso. In all, the Fletcher Jones paintings realised £810,065.

Perhaps of more interest was the £189,000 given by the New York dealer Stephen Hahn for a Modigliani, *Le Garcon en Culottes*.

This was a record for the artist, beating the £126,000 set at Christie's in April for *Fillette sur une Chaise*. The painting had been sent for sale by Beatrice Lillie—Lady Peel—who had *acquired it before* World War II.

A Renoir, *Jeune Fille Lisant*, was bought by the Fisher Gallery of Germany for £73,500, well *above forecast*, and a *Joan Miro Composition*, went to the Gallerie Beyeler of Switzerland for £68,250.

Another Renoir, *Fille au Fichu Blanc*, also did much better than estimated at £63,000, and a Monet, *Peupliers à Giverny; Temps Couvert*, went according to plan at £57,750 to a Japanese dealer, Tamenaga.

Another artist to set a new record was John Singer Sargent. *The Pailleron Children*, painted in 1881, was bought by Leggatt for £52,500.

The other record was the £46,200 given by the New York dealer Leonard Hutton for a Jawlensky, *Frau mit Gruenem Faecher*; his previous best was £30,000.

The afternoon session of watercolours and drawings made £313,834. A Picasso watercolour, *Nature Morte à la Guitare et Clarinet*, sold for £15,750; a Severini *Donna alla Finestra* made £12,600; and another Picasso, *Nature Morte à la Palette*, realised £10,500, all around forecast.

Sotheby's concluded its three-day auction in *Monaco* on Monday night with a silver sale which realised £316,426. In all, the sessions made £942,435. Top price for silver was the £14,983 from the New York dealer Shrubsole for a two-handled cup and cover made in London in 1653.

Two more auction records were set at Phillips' sale of books—one for a Mercator Atlas and one for a Christmas card. The World Atlas by Mercator, produced in Amsterdam in 1633, sold for £7,400, twice its estimate, to Riestre. It was in two volumes and contained 241 original hand-coloured maps.

Perhaps even more remarkable, an example of the first Christmas card ever produced sold to a private collector, Dawe, for £180.

The card was hand-coloured, and commissioned in 1843 by Sir Henry Cole, who had 1,000 printed, and sold the surplus at 1s. each. The sale produced Phillips' best book total at £34,165.

RACING — BY DOMINIC WIGAN

Watch the Dickinsons

FEW TRAINER and jockey partnerships are having a more successful run at present than that of Tony Dickinson and his son, *Michael*, and it will probably pay racegoers to follow the combination at Ayr to-day.

Tony Dickinson, who considers this course to be *his* favourite, saddles two here this afternoon: *Young Somers*, who bids to defy top weight in the Vulmidas Trophy (1.15), and *Santon Brig* (also at the head of the weights) in the Carwinshoch Novices' Chase (2.45).

Young Somers, who has only three—*Pan-Man, Prehistoric* and *Arctic Explorer* to beat in the Vulmidas, won a year ago by Michael Dickinson on Duffle Coat, put up his best performance for a long while when toying *with weak opposition in* Wolverhampton's Whittlesley Chase two weeks ago. Sent on at the sixth there, Young Somers *was never challenged, and won,* pulling up, by four lengths from Charlie Arlie, to whom he was conceding 11 lb, with Mexican Frolic, in receipt of 5 lb, the same distance away in third place.

A reproduction of that form *will probably* be enough to enable Young Somers to concede between 10 lb and 25 lb to his three opponents, who are all previous winners here. Pan-Man, a winner three times already over this course and distance appeals as the one for the forecast.

I shall be disappointed if Santon Brig proves unable to give 5 lb to *Cromwell Road* and 10 lb to *Contastar*.

AYR
12.45—Woldyknow***
1.15—Young Somers*
1.45—Monrusha
2.15—Tregarron
2.45—Santon Brig**
3.15—Delanto

LEICESTER
1.30—Leros
2.00—Flap
2.30—Westby Lad
3.00—Tudor Risk

GARDENS TO-DAY

An unhappy ring

BY ROBIN LANE FOX

IT IS regrettably true that our *historic gardens are not* easily maintained in the style which befits their history. Their plantings have often depended on one owner's bold taste, and his descendants, or his national inheritors cannot be expected to show the same individual sense of style.

Plants die, and the features of a garden can so quickly be altered by slight *concessions to* fashion. It is hardly possible to form a just opinion nowadays on the difficult topic of Victorian gardening, a period which has tended to be despised because its varied masterpieces have disappeared.

Rockeries, monkey puzzles and paths of coloured pebbles are only one side to its curious picture. Very few gardens have retained a Victorian design.

Fewer still, of course, have an Elizabethan or 17th-century plan which is maintained appropriately: of the ambitious modern attempts at recreating them, such as the Queen's Garden at Kew, it should at least be said that there are those who are not always convinced.

All, however, is not lost. Very far from it, in fact, as the golden age of garden design, not only in this country but, to many eyes, throughout the world, occurred in an 18th-century England which believed in posterity and permanent plantings.

The great landscape gardens laid out in the age from William Kent to Humphrey Repton *matured slowly* because they depended on fine forest trees and park scenery. They ought all to have passed to us at their *final peak*, before their old age required replanting and another long delay.

Taxation, apathy and aristocratic gambling have taken a high toll of them over the years, but the small proportion of great 18th-century landscapes which have survived are the most immediate and impressive monuments to historic gardening.

Strongest claim

There are not exactly so many *that we can afford to be* callous about them. Being callous has meant, hitherto, the planting of inappropriate rhododendrons and *the inclusion of conifers* from subsequent Victorian collections in settings which were designed on quite different principles.

It has also meant the cutting down of copses and belts in the interests of arable farming. But it has not, until recently, meant roundabouts, bypasses, underpasses and street lighting.

Obviously, the motor-car has raised many problems of landscape planning which the great designers of the past had never considered. But where a great landscape garden already exists, it must have the strongest claim *to precedence* over the needs, maybe the temporary needs, of the motorist.

The point, you may think, is not worth arguing. But one of our finest 18th-century landscapes has been threatened for several years with just such an argument.

By-pass plan

Sussex's Petworth Park is well known to its 35,000 annual visitors through the National Trust as one of the highest points in the history of garden design. But during the next fortnight, West Sussex County Council will enter the last stages of the debate over Petworth's local by-pass. The latest plan to be put to their judgment in the long epic of Petworth's future still intends to run the by-pass's traffic through the heart of one of our greatest landscapes. The discussions of the past three years have not always suggested that local opinion is fully aware of the landscape's historical importance.

Its claims to attention are based on particularly interesting points of gardening history. *Gardeners and others* who are conscious of the place of Capability Brown in the history of landscape may like to feel that *this is one proposal which cannot* pass without protest.

Petworth Park, an undulating expanse of grassland which flows right up to the *windows of a* great 18th-century house, has deserved its frequent selection as the classic illustration of a whole age in landscape design. It is some years now since supporters of the Petworth by-pass were maintaining in public that the park, whose account-book survive beyond question, has no connection with Brown at all.

It is one of the firmer facts of garden history that Brown designed his characteristic mixture of curving grass-land, lake and clumps of trees for the second Earl of Egremont. His plan, dated 1752, can still be inspected. In deference to it, the *county* council is now to consider the digging of a tunnel under its foreground, to pass as near as 33 yards to the house itself and *to run beneath the* immediate prospect from the house into the park.

Whatever the merits of a tunnel, it still has to be entered at either end, in this case by two cuttings, one of which cuts into the park's existing cricket pitch, the other of which, complete with a roundabout, runs through a wild garden known as the Pleasure ground.

So far from avoiding the surface, at least, of Petworth's historic landscape, this proposal cuts into the heart of its most historic corner.

For Petworth is not merely a fine 18th-century park landscape. The Pleasure Ground, a wild garden of shrubs, bluebells and rare trees, traces its design back to the Elizabethan age, and examples of Elizabethan design which were respected by Georgian landscaping are extremely rare. The two known plans for the Pleasure Ground, in 1585 and 1610, were not overthrown by Capability Brown, who merely altered the sweep of the paths and brought in a glorious *Doric temple*. The temple is now in danger of receiving a prospect over a by-pass's cutting, a few yards away from the motor *tunnel's approach*. A few of Brown's chestnut trees and limes are still surviving here, and I do not imagine they will be improved by *the roundabout* with which the planners are proposing to adorn them. The lists of Brown's original shrubs for the *Pleasure Ground* survives, as seldom: sea buckthorn, "trumpet flowers," tamarisks, and Persian Jasmine have not survived the years, but the Pleasure Ground's history does not end with Brown's improvements.

Not for them

From 1870 onwards, a site which has claims to be our most venerable wild garden was dignified with some startling rare shrubs and trees, suited to its peculiar brand of acid soil in the alkaline surrounds of the Sussex chalk downs. The old and rare Himalayan rhododendrons, such as campylocarpum, are still flourishing here. There are Pocket Handkerchief trees and a particularly fine show of the *more difficult sorts of Cornus*. Traffic and street lighting will not be to their taste.

England's landscape has grown in stages, and maybe it is now past its best. The importance of the few sites which rank with Petworth is that they still bear witness to the truth that gardens and landscapes develop gradually in layers. It is not possible to tunnel under the main eighteenth century layer in the name of respecting it and also to leave the equally precious earlier layers intact.

When so many generations have tried, as gardeners will, to leave a finer mark on one small *corner of nature*, there is surely no sense in insulting the results with ring-roads. As an example to posterity, the mood in which Petworth's own park was conceived, one must hope that this ruinous proposal will at last be set aside.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.15 a.m. For Schools, Colleges. 12.30 p.m. Day and Night. 12.55 News. 1.00 Pebble Mill. 1.45 In the Town. 2.01 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 Huckleberry Hound. 4.30 Jackanory. 4.45 These Are the Days. 5.05 John Craven's Newsround. 5.15 Circus. 5.40 Magic Roundabout.
5.45 News.
6.00 Nationwide.
6.50 Bugs Bunny.
7.00 Superstars.
8.10 Softly, Softly: Task Force.
9.00 News.
9.25 Till Death Us Do Part.
9.55 Sportsnight including Tribute to Graham Hill.
10.30 To-night.
11.25 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.40 p.m. Bam-Bw! 6.00-6.50 Wales To-day. 6.50-7.10 *Heddiw*. 7.10-7.40 *Pobol y Cwm*. 7.40-8.10 Some Mothers Do 'Ave 'Em. 11.25 News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 2.40-3.00 p.m. For Schools in Scotland. 6.00-6.50 Reporting Scotland. 11.25 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 10.50-11.20 Spotlight on what matters to people in Northern Ireland. 11.20 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); *Midlands* To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (*from Southampton*); Spotlight South-West (from Plymouth).

BBC 2

10.35 a.m. Nai Zindagi Naya Jeevan.
11.00 Play School.
7.05 p.m. Trade Union Studies.
7.29 Weather.
7.30 Newsday.
7.55 Twiggy.
8.30 Arena.
9.00 Face the Music.
9.30 "Moll Flanders," starring Julia Foster.
11.10 Newsnight.
11.25 Closedown: David Davis reads "What Mattered" by Edmund Leo Wright.

LONDON

9.30 a.m. Schools Programmes. 10.30 Table Tennis. 11.00 Schools. 12.00 Here Comes Mumfie. 12.10 p.m. Pipkins. 12.30 Mr. and Mrs. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 *Couples*. *3.00 About* Britain. 3.25 Looks Familiar. 3.55 General Hospital. 4.25 The Sooty Show. 4.50 Boy Dominic. 5.20 *Out of Town*.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 "Our Man Flint," starring James Coburn.
10.00 News.
10.30 The Wednesday Special.
11.25 Help!
11.30 Barnaby Jones.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 *Survival*. 6.00 *About Anglia*. 11.25 The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 ATV *Today I including Junior Police Five*. 6.00 ATV Today II. 11.25 Night Gallery. 11.55 Frank Wilson.

BORDER

12.30 p.m. *Untamed World*. †1.20 Border News. 3.25 Shirley's World. 6.00 Scottish National Party political broadcast. 6.10 Border News and Lookaround. 11.25 The Protectors. †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 The Partridge Family. 6.00 Channel News. 6.10 Funky *Phantom*. 11.25 *Epilogue followed by* News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 6.00 Grampian Today. 11.25 Police Newsroom. 11.30 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Survival. 11.25 Boney.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.30 Three Little Words. 11.25 The Protectors.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd. 11.25 Into The Unknown.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 *Housecall*. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 University Challenge. 11.25 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 11.25 Southern News Extra. 11.35 The Odd Couple.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today At Six. 11.25 Chess Masterpieces. 11.55 Epilogues.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 6.00 UTV Reports. 11.25 UTV *Profile*.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 The Partridge Family. 6.00 Westward Diary. 11.25 Westward Late News. 11.28 Faith For Life.

YORKSHIRE

12.30 p.m. Byzones. 1.20 Calendar *News*. 5.20 Calendar. 6.00 Calendar. 11.25 Ski-ing With Gina.

RADIO 1 — 247m

(S) *Stereophonic broadcast*

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 Party Political Broadcast on behalf of the Liberal Party. 2.07 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.02 Test Cricket: Australia v West Indies (report). 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Harry Carpenter's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jean *Challis* (S) including 1.55 p.m. Good Listening (VHF). 2.02 Party Political Broadcast on behalf of the Liberal Party. 2.07 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m *Scotland*). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The News Huddlines starring Roy Hudd. 7.30 How *The West Was Sung* (S). 8.02-9.00 VHF only (also 202m Scotland) Command Performance (S). 8.02-9.30 1500m only League Cup Special. 9.02-9.30 VHF only (also 202m Scotland). Sing Something Simple (S). 9.30 All-Time Hit Parade (S). 11.02 Sports Desk (1500m only, also 202m Scotland, VHF joins Radio 1). 11.05 Jean Challis with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

7.00 a.m. News. 7.05 Your Midweek Choice part 1 (S). 8.00 News. 8.05 Your *Midweek Choice part 2* (S). *9.00 News*. 9.05 This Week's Composer: Chopin (S). 10.00 Music for Organ (S). 10.30 Beethoven Songs (S). 11.05 BBC Welsh Symphony Orchestra part 1: Grace Williams, Brahms (S). 12.10 p.m. In Short (talk by John Rushby-Smith). 12.20 Concert part 2: Dvorak (S). 1.00 News. 1.05 Concert Hall (S). 2.00 Victor de Sabata (1892-1967) (S). 3.05 Melos Quartet of *Stuttgart* part 1 (S). 3.40 Words . . . R. W. Burchfield. 3.45 Concert part 2 (S). 4.35 Johann Strauss concert (S). 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 *Lifelines: Language* and Communication. 7.30 Heinrich Schlusnus (1888-1952) song recital: Schubert, Gierlage, Mahler. 8.00 BBC Symphony Orchestra part 1: Witold Lutoslawski (S). 8.25 *The Arts Worldwide*. 8.40 Concert part 2: Lutoslawski (S). 9.05 Harold Pinter performs his play "Monologue." 9.20 Concert part 3: Walton (S). 10.15 Scientifically Speaking. 11.05 Cimarosa (S). *11.25 News.*

RADIO 4 — 434m, 330m, 285m and VHF

†Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather and programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather and programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. †9.05 The Living World. †9.35 The Year in Question. †10.00 News †10.05 In Britain Now. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Home to Roost. †11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You And Yours. 12.27 Top Of The Form. †12.55 Weather, programme news VHF (except London and SE) Regional News. *1.00 The World At One*. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. †2.45 Listen With Mother. 3.00 News. 3.05 Afternoon *Theatre* (S). *4.00 News*. 4.05 The Twilight Of Old Warsaw: The Polish capital in 1939. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather: programme news. 6.00 News. 6.15 Petticoat Line. 6.45 The Archers. 7.00 News Desk. 7.25 Party Political Broadcast on behalf of the Labour Party. 7.30 It's Your Line. 8.30 Sir John Betjeman (S). 9.00 The Reith Lectures 1973. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-*12.00 and 2.00-3.00 p.m.*

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 In The News. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Quest. 8.30 Soul 77. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

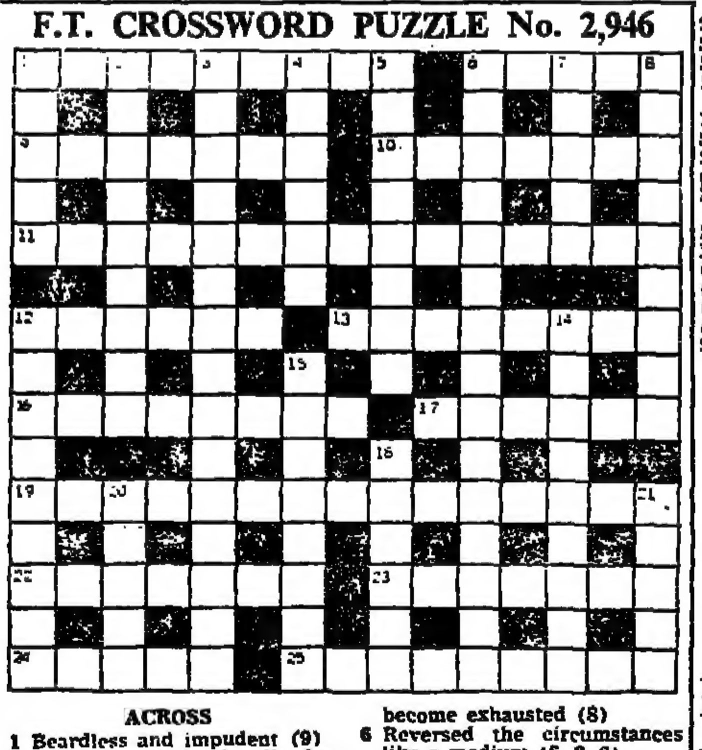
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Jazz in Stereo. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. Nightwatch.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop". 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,946



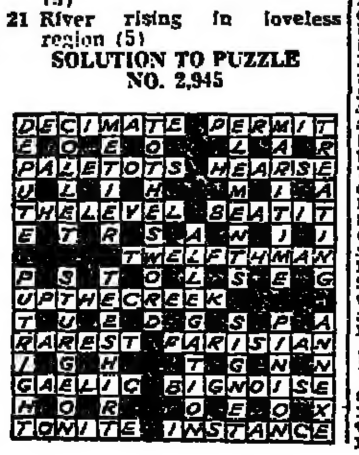
ACROSS

1 Beardless and impudent (9)
6 Beat through the bandleader (5)
9 I'm getting money to take legal possession of (7)
10 Not entire but having a preference (7)
11 Observe the formalities and insist upon ritual (5, 2, 8)
12 Hard and cruel like a variety of quartz (6)
13 Live fast being involved in feast (8)
16 Territorial soldier gets on in real surroundings (8)
17 Make good in share coupons (6)
19 A surgical operation in the greenhouse? (15)
22 Face an open insult (7)
23 Taking novice inside and speaking (7)
24 Dig for research (5)
25 Edits poor arrangement for one in credit (9)

DOWN

1 Composer of the highest happiness (5)
2 Salesman dining and reiterating (9)
3 Cosmetic preparation's depth of colour is laid ceremoniously (10, 5)
4 Putting into cipher to hoax in capital of Greece (6)
5 Department allowed editor to become exhausted (8)
6 Reversed the circumstances like a medium (6, 3, 6)
7 Money for a large horned animal (5)
8 Ring your head before fiasco in ungainly dive (5-4)
12 Foremost worker obtained directly (5-4)
14 Instrument in one way and a player in another (9)
15 Drew lots and baled one lot inside (8)
18 Arch but in agreement with others (6)
20 Inspiring fear? That's bad! (5)
21 River rising in loveless region (5)

SOLUTION TO PUZZLE NO. 2,945



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS APPEAR ON PAGE 14

CINEMAS APPEAR ON PAGE 14

Television

What's good about this autumn

by CHRIS DUNKLEY

In his invaluable *Filmgoer's Companion* Leslie Halliwell, chief movie buyer for the ITV network, says of Robin Hood: "The legendary outlaw leader of Plantagenet England is one of literature's most oft-filmed characters. There were film versions in 1909 (GB), 1912 (GB), *1912 (U.S.)*, *1913 (U.S.)*, *1913* (GB) . . ." and so on, via the Fairbanks version of 1922 to the 1951 production with Richard Greene who not only played the part in the feature film *Sword Of Sherwood Forest* but also starred as Robin in 165 half-hour television programmes.

Those programmes of Greene's are some of the first television I can recall watching and—as I remember them, anyway—they make an intriguing contrast with the new version which is now running as BBC1's teatime serial on Sundays. Hollywood has always re-created former periods of history in the current idiom, so that 1930s Renaissance sets, costumes and even attitudes are recognisably different from 1950s or 1970s Renaissance sets, costumes and attitudes. Television has been with us long enough now for us to see that, unsurprisingly, it has the same habit.

The memory of the 1951 version of Robin Hood is one in which *Richard Greene had a perpetual smile* on his shiningly shaven face; a sword fight, a first fight or an ambush (with battalions of men diving from oak trees) was always in progress; and black was black, white was white, and the sheriff and his men very nearly left slime trails behind them.

Short of turning the Sheriff and Sir Guy of Gisborne into the heroes and Hood into the villain, the current BBC version could hardly be more different. Here Martin Potter's Robin Hood is a serious faced, introverted young man with the straggling hair and the wispy beard and moustache of the rebellious art student. As interpreted by Potter, script-editor/writer Alistair Bell, and director Eric Davidson, there is in this outlawed Earl of Huntingdon more of the Angry Brigade or L'Etranger than Dick Turpin or Father Christmas.

The introduction of far more than usual subtlety and tone into Robin's relationship with the King, and the King's relationships with his mother and brother is (somewhat surprisingly) highly successful. This is the first Robin I have seen which, instead of being just a rattling good yarn—and it is still that—promises to become quite a revealing drama too.

The youth of all the protagonists other than the Abbot comes as something of a shock, but then policemen and teachers keep getting younger as well.

*

In re-working another classic British story for BBC2 Hugh Whitemore has not produced any such striking contrasts with previous productions. His *Moll Flanders* (second and final part tonight) is not the 18th century fighter for women's lib which a 1975 adaptation could so easily and so wrongly have turned her into. It is true that we have seen a great deal more of Julia Foster's anatomy than we were ever allowed to see of Kim Novak's in 1965 (for example) but apart from this there is no obvious way in which the production has been up-dated for the 1970s.

Those who complain habitually *about the liberties that television takes with their favourite authors*—Trollope, Shakespeare, Flaubert or whoever—and who write letters of scorn and bitter complaint when their hero or heroine is seen wearing an item of clothing not specified by the author will no doubt rejoice at this lack of trendiness. I, on the other hand, wonder whether there is not always some scope, more with some authors than others, for the eternal truths of any classic work to be presented in a way that is particularly apposite to the age.

One aspect of this production worth special notice is the contribution made by the Watersons. No better group could have been chosen for the unaccompanied singing of Martin Cathy's arrangements.

*

There is a scarcity of good (and even bad) modern drama about modern politics and politicians on television. If there has been more than Dennis Potter's *Vote Vote Vote for Nigel Barton* and Edmund Ward's *The Challengers* in the past 10 years it has not been impressive enough to be memorable. *All credit, therefore, to* Granada and Arthur Hopcraft for developing his single play of *The Nearly Man* into a series; and one which not only takes politics and politicians as its subject, but assumes that the viewer is quite ready to see the subject treated seriously.

Unfortunately, two mistakes *are dragging the series down.* The first is the failure to deal with specific political events and particular problems (real or fictional—it is immaterial) and the concentration instead on very broad and really rather vague political philosophies. The second, and much the most important since it makes the series almost unwatchable at times, is the habit of having the participants declaim speeches at one another so that they sound like modern actors imitating Victorian "thespians" rather than like people talking.

These days even the most pretentious politicians are not heard using phrases such as "an ingrained terror of humiliation, perhaps: that's the politician's unifying phobia," and when poor Ann Firbank is called upon to deliver a sentence such as "So we don't know, the two of us, *how long we have to stay in our* separate rooms; separate lives" there is absolutely nothing she can do about that stilted syntax. Coming off the screen it is just as though she has said "So we don't know comma the two of us comma how long we have to stay in our separate rooms semicolon separate lives."

*

What a marvellous treat it was in a week of foul winter nights to be able to climb into bed and watch films of such quality as Hawks' *Bringing Up Baby*, and Capra's *The Bitter Tea of General Yen* and *Mr. Deeds Goes To Town* on successive nights. Using a modern television with an earphone it is even possible to do *this without disturbing anyone* else who wants to sleep.

In some quarters I have a name for being "against" old movies on television; a name which has been tied onto me because I have in the past complained about the absurd effects which can result from "optical rationalisation" of wide-screen films (that is, squeezing them sideways to fit a TV screen) or from bad "scanning" (the alternative system in which—theoretically—the projectionist continually "scans" horizontally to select for transmission the most important part of the picture).

I still say that these techniques, particularly when used ineptly, can spoil a good film, and I still say that to be properly appreciated as their directors intended, some great old movies (several of Eisenstein's, for example, several of Ford's) and some great *modern ones (2001 for instance)* have to be seen on a larger-than-life screen in a cinema and not on a smaller-than-life screen at home.

But I am very far from being "against" old movies on television. When the picture fits the TV screen, as Hawks' and Capra's do, and the element of sheer size is of no great significance, then I am all for them—particularly if they are as funny as *Bringing Up Baby*, though that is difficult. What a pity that the 80-minute documentary in the American series *The Men Who Made The Movies* accompanying this week's Capra season was such an uninspired catalogue of clips. It could so *easily have set us all off looking* for common or contrasting themes in his works, instead of which it simply lifted some of the best bits from each of the films and piled them up like an indigestible American sandwich. It also tended to give away the plots which is never a good way to introduce any film.

*

Either great minds think alike or, as I believe, there is a remarkable lack of originality in choosing programme titles: at 3.00 p.m. on Tuesday BBC2 broadcast a programme called *What Did You Learn in School To-day?* At 12.10 ITV broadcast a completely different programme called *What Did You Learn at School To-day?*

Tony Britton, Ann Firbank and Rhoda Lewis in "The Nearly Man"

Oxford Playhouse

Uncle Vanya

by B. A. YOUNG

In the fashionable way, the programme prints extracts from Chekhov's letters that insist on the comedy of his plays rather than their drama. And as usual, although the director, Gordon MacDougall, has done his best, it is the drama that grips us, with the comedy acting, as comedy should in such conditions, as a lubricant. The fact is that, passionately as he believed in this thing, Chekhov was wrong. His plays are not comedies, they are dramas about comic people, and this is not at all the same thing. There is nothing particularly comic, to take a parallel, about the downfall of Oscar Wilde.

Serebryakov may be a man to strike amusement from an audience, and Edward Jewesbury's performance, like an animated Victorian photograph, performs this effectively. But what he does in the play—condemn his wife's family to a lifetime of tedium to maintain his superior standard of living—is horrible, and Vanya's reaction to the suggestion that the estate should be sold for the old man's benefit, culminating in his two ill-aimed revolver shots, only arouses the same kind of laughter as a Frankenstein or Dracula tale, arising from a sense of relief that these things are happening to other people and not to ourselves. Richard Wilson as Vanya, pouring suddenly into the scene the passion that has been masked till then by his endless boredom, makes it fine and moving but yes, funny as well in its genre.

In Anton Rodger's hands Astrov has an admirable air of detachment from anything but trees and, occasionally, medicine. The sudden surrender to his weakness for Yelena (wonderfully beautiful and vacuous in Amy Nissen's performance) is, properly, suggested more in his conversation than in his manner, though she doesn't put up much resistance. Gabrielle Lloyd's Sonya, on the other hand, has love pouring out of her eyes when she looks at the doctor, and though she has done all she can to suggest plainness by wearing simple clothes and dressing her "beautiful" hair in a simple style, *she can't help radiating a* kind of spiritual charm that spills over into a physical equivalent.

The costumes are presumably the work of the designer, Saul Radomsky, who has mischievously set the play in a wood-panelled sitting-room that must have given Astrov constant pain. They all look rather newer and better kept than I would have imagined in this rustic backwater; but doubtless the combined efforts of conscientious Sonya and Rosamund Greenwood's lovable old Nanny kept things going, and doubtless the erect and authoritarian Voinitskaya of Margery Withers ensured that they did.

For the most part the play is taken very slowly. Only the working class—Nanny and the labourer who comes to fetch the doctor to the factory—move at more than the pace of treacle dripping from a spoon except at the moments of emotional crisis, which are thereby given extra strength. The last scene of all, with Sonya resting her head on Uncle Vanya's lap and promising that they shall find peace, is incredibly slow, a rallentando to *end all rallentandos. Suggesting* as it does a relapse into another 20 years of unbroken boredom, it works very well.

The translation used is Ronald Hingley's, fluent and up-to-date but given sometimes to such excesses of current use as "bogus," "psychopath" and "scrounger".

Bush

The Kid/Moby Dick

by MICHAEL COVENEY

This fringe theatre, which has had such a good year (its third good year on the trot) marks time this week with a double bill more worthwhile than illuminating. *The Kid* by Keith Wood features John Carter as the cissy hero living out his last minutes before confrontation with Pat Garrett, popping in and out of his own legend, whining his own epigraph to the theme tune of *Midnight Cowboy*, *surrounded by rickety furniture*, glass mirrors, tequila bottles and girlie magazines. A sort of Wild West exercise in action panting. Mr. Carter is technically impressive but spiritually unattractive. As he smashes glass, destroys woodwork and fires bullets at the ceiling, one witnesses a nasty *rodent gnaw itself to death.*

There have been better plays about The Kid (Michael McClure's *The Beard* for instance) and more dense, poetic dramatic usages of cowboy legend (several plays by Sam Shepard). The piece, though short, is indulgent and, in the end, ineffective as an assault on our sympathy. I liked the image of the collapsing sharpshooter prancing dangerously among his own debris as the "left hand girl" at a hillbilly shindig before helplessly summoning a *fantasy maid to clear up behind* him; and there is humour in the removal of Billy's dreamworld to a contemporary setting with the hero quizzing himself on his own birthdate in a comic book. But the play rattles too much and leaves little to savour or enjoy.

Keith Johnstone's half-hour *Moby Dick* sketch follows like a breath of fresh air: Derrick O'Connor and Anthony Trent play master and servant in a lunatic quest for the former's escaped sperm—his one chance of a male heir. Abounding in felicitous lines that would not disgrace Ken Campbell, the aghast duo's hunt turns into a mission of revenge on the high seas once the master's leg has been savagely bitten by the ballooning monster, and the Pinnochio-style conclusion (with Freudian overtones) is played with great gusto and delightfully maniacal goonery. The event is a small pleasure (as was the master's feeling for his daughter) and is keenly, imagi*natively acted with the aid of a* table, two chairs and a couple of mackintoshes.

New Ashton ballet

Sir Frederick Ashton's first major ballet for The Royal Ballet since his retirement in 1970 has its world premiere at Covent Garden on February 12. A one-act ballet, *A Month in the Country* is freely based on Turgenev's play, and set to three orchestral pieces by Chopin arranged by John Lanchbery, who conducts the first three performances. It is designed by Julia Trevelyan Oman. Casting includes Lynn Seymour as Natalia Petrovna, Anthony Dowell as the Tutor and Wayne Sleep as her son.

Campaign for Harwich Electric Palace

A campaign has been launched to save the Electric Palace Cinema, Harwich. The building is 64 years old and a unique example of early cinema building and operation. The sum of £30,000 is needed to restore, develop, improve and operate the theatre, and this will be *administered by a trust under* the patronage of Sir John Betjeman.

Frankfurt Schauspielhaus

The Inconstancy of Love

by RONALD HOLLOWAY

Molière is such a dominant figure in German repertory—he *ranks in popularity behind* Shakespeare and before Schiller—that many here tend to forget that the Comédie-Française has other stars in the firmament equally worthy of attention. But the Frankfurt Schauspielhaus over the past few seasons has made a purposeful effort to spotlight the classics, old and new, against the proper critical background. Thus, whether one agreed or not with Peter Palitzsch on Lessing, Hans Neuenfels on Ibsen, Peter Löscher on Strindberg—to name but a few examples—the experience stuck because minor roles and details were as vivid and vital as, say, the title figures at stage centre. Luc Bondy's production of Pierre Carlet de Chamblain de Marivaux's *The Inconstancy of Love* (following the German translation, *Die Unbeständigkeit der Liebe*, of *La Double Inconstance*) is no exception: we are reintroduced to a classic that has much to say to us in these permissive, searching times.

The plot of *La Double Inconstance* on exchanging love partners draws its energy from *commedia dell'arte* master-servant characterisations; written in 1723, Marivaux was then depending heavily on an Italian company housed in Paris, which was to stage two-thirds of his 30 plays. The lady Silvia is loved by the Prince but she is in love with Arlequin; the Prince hires Flaminia, a girl of the same station as Arlequin, to seduce Arlequin, and thus a change of affections is brought about. Marivaux simply, but cleverly, notes that the idle rich tend to fall in and out of love without ever knowing their true feelings at any one time.

The play's most striking quality is how fickleness can carry the action through without resort to props or dramatic climaxes: if there are high moments, they are fashioned from the stuff of delicacy and psychological insight. *The Inconstancy of Love* is more talk than *anything else*, but *talk of* a highly stylised nature with a total absence of guffaws, clowning or burlesque, as in Molière and Beaumarchais who decorate courtly comedy like two royal bookends.

Marivaux wrote for the literary salons back in Paris, centres of sophistication after the stranglehold of Versailles was broken by Louis XIV's death. He specialised in affected, non-passionate love-making—his speech was tagged as *marivaudage* (mostly due to the licence of his imitators)—that had innocents awakening to love in some fantastic surrounding a breath away from the immediate rococo luxury, to experience its pleasure without its pain by way of exchanging *partners or correcting a mistaken* identity or two. This approach to love via chatter captivated the emerging bourgeoise audience and led to one undisputed masterpiece: *Le Jeu de l'Amour et du Hasard (The Game of Love and Chance)*, written in 1730; in which a double mistaken-identity im*pinges on the feelings in mutiple* ways as masters seemingly fall in love with servants.

Luc Bondy (son of François Bondy) has made a fast reputation over the past few seasons with such plays in the twilight zone as Genet's *The Maids* and Goethe's *Stella*. He has a hand for directing women (his Munich *production of Bond's The Sea* was chosen one of the best plays of the 1973/74 season) and can strike images that reveal the raw emotions of a situation before a word is spoken. For *The Inconstancy of Love* he staged his production in a modern boutique replete with chic costumes, full-blown hair styles, and painted, effeminate masks. Silvia emerges from a large cardboard box in a fetal position, idling observed from a distance by faces behind a glass partition as at a studio recording.

The stage design (Erich Wonder) is a cardboard maze that folds back and forth into various compartments, as though this garden game has been trans*ferred to the domain of the soul.* Bondy goes Marivaux one better by having his four main characters fall in love with each other indiscriminately at the drop of a hat; it works in the beginning and has its effect in portraying a moral dilemma of our times. But the overriding concept soon gives way under an avalanche of words. The subtleties *evaporate* into vapid idleness.

The advantage of the Frankfurt experiment, however, is that Marivaux has been "rediscovered" and may hereafter find a place in the German-language repertory. He seems to be as timely to-day as in the reign of Louis XV.

Festival Hall

Messiah

by GILLIAN WIDDICOMBE

We stood for the "Hallelujah" chorus; the alto arias were taken by counter-tenor; and the Lord of Hosts sang "Yet once a little whoile . . ." So in many respects it was simply the Goldsmiths Choral Union doing their annual *Messiah*. However, the GCU is in good form these days, thanks to Brian Wright, their lively, young and untraditional conductor. And though both edition and execution were roughly the same as a year ago, last Monday I found much to enjoy and savour.

Possibly the choir has grown a little larger—an uncountable number, say nearly 150. But they sing with light, detached, airy phrasing, and even tone. The men are particularly strong, and declared "The Lord gave the word" in a bold fortissimo free of the usual blast of an amateur ensemble. Mr. Wright manipulated the work with care and sensitivity. (He is not one of our two-tempo choral conductors — rejoice greatly!) For example, the different sections of The King of Glory were separated with interest and flexibility.

Wright uses a small instrumental ensemble: seven first violins, down to two basses for the tutti, reducing further to accompany the arias with phras*ing as neat and refined as a* fresh engraving. (Wright is obviously fastidious in marking parts with precise dynamics and shapings: but his players—a young, ad-hoc ensemble known as the Musicians of London—must concentrate rigorously on intonation.) Continuo was modest, but the recitatives were heavily conducted, for no apparent reason.

This year's soloists were a young British team led from the bottom by Brian Rayner Cook. Neil Jenkins sang the tenor arias memorably, with colour in the voice, a touch of drama, and a great deal of taste in the musical shaping. Paul Esswood's melodious counter-tenor was admirable, but not moving: articulation is impeccable, but he seems reluctant to strain its suave, mellow tone—and one can hardly blame him. That promising soprano Jennifer Smith sounded nervous: her first Festival Hall *Messiah*? All arias were ornamented generously; and the decorations seemed as elegant and apt as the scrolls on a rococo mirror.

Almost Free

The Long Night

by B. A. YOUNG

Diana Fairfax is all the cast of Iain Blair's play *The Long Night*, the latest in this theatre's season of plays by new British writers. She sits at a table with coffee on it and candles and a book. Three windows behind her are covered with red velvet curtains. Lighting the candles, she prowls around her room like Natasha in *The Three Sisters*; then, touching a switch, she summons up an image of Greta Garbo.

Ruth is her name. Her story, when she tells it, goes like this: Her mother bore her to a blonde blue-eyed airman hero who was killed flying over Germany; he was not the man Ruth called "father." Ruth has become a film-actress with an obsession for Garbo, whom we see as Camille, Queen Christina, Anna Karenina, projected on the walls of the room. We never see Ruth's mother, though she talks to her all the time, usually to refuse the offer of food. Ruth has had a brief affair with a young man who killed himself with a bayonet when, after a night of sex that (according to her recollections of it) was designed mostly to annoy her mother, she refused to marry him.

It all tumbles out bit by bit, not always consistently. We soon realise that there has to be a key to this jumble of recollections, and a good many of us will be able to forecast what the key is going to be. I shall not reveal it here, but it doesn't matter all that much: what matters is the study of this odd, distracted woman, whom Miss Fairfax plays movingly, having made herself look as much as possible on her natural base like Miss Garbo.

The director is Jack Emery, the designer Norman Coates.

R.A. President to present Stowells Trophy awards

Sir Thomas Monnington, President of the Royal Academy, is to present the awards for the next Stowells Trophy, the open painting competition for students at Britain's leading art colleges, sponsored by Stowells of Chelsea, the wine and spirit company.

The public exhibition of the paintings chosen as finalists, which follows the prize presentation, is being held this time in *the Diploma Galleries* at the Royal Academy, Burlington House.

The awards will be presented during Private View at the Diploma Galleries on Tuesday morning, January 20. Subsequently, all paintings will be on show at the Galleries until Sunday evening, January 25.

WORLD TRADE NEWS

Japan told of EEC concern at cut-price shipbuilding

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 2.

AN "oral demarche" made by the EEC Commission to the Japanese Foreign Ministry this week is believed to express very strong concern about price cutting and the provision of extremely attractive credit facilities by the Japanese shipbuilding industry.

The "demarche," made a week before a session of the OECD's Working Party on Ships in Paris, apparently included a statement to the effect that the recent behaviour of Japanese shipbuilders could be a threat to the survival of the European shipbuilding industry.

Paris meeting

The Japanese Foreign Ministry, which received the "demarche" through the Commission's Tokyo office, is not required under normal diplomatic procedure to make a formal reply immediately. But the Commission is obviously hoping that its move will have some impact on the Japanese attitude in Paris next week after the OECD meeting, which is scheduled for Tuesday and Wednesday. The ship issue will be taken up again at the bilateral meeting between Japan and the EEC to be held in Brussels on Thursday and Friday.

The EEC "demarche" was delivered immediately in advance of an industry-to-industry meeting on ships at which European and Japanese shipbuilders will certainly be discussing prices, and possibly also some form of market sharing.

The meeting, which is technically that of an ad hoc committee set up by one Japanese and two European shipbuilding associations, starts in San Francisco to-morrow. Its decisions could alleviate some of the problems worrying the EEC, but the Commission apparently decided not to wait for this possibility before delivering its message.

The Commission's demarche marks the second recent occasion on which a strong line has been taken with Japan on a bilateral trade issue. The first was the delivery of a note on car inspection problems to the Foreign Ministry in October.

European concern about Japan's ship export performance can be understood against the background of recent monthly figures for the shipbuilding industry, which show a remarkable increase.

The industry secured export orders for 55 ships with a total gross tonnage of 646,000 tons in the second quarter of 1975, but monthly orders from July onwards rose spectacularly, the figure for July alone was 19 ships of 122,800 tons. In August it rose to 37 ships (669,000 tons) and in September to 43 ships (626,000).

October orders, according to Japan Exporters' Association, came to 57 ships with a total tonnage of 935,000, or roughly 50 per cent. more than orders for the whole of the first quarter.

Only 10 of the ships ordered from the industry in the six months from April to September were tankers—the sector where Japanese shipbuilders have traditionally been strongest, holding around 60 per cent. of world orders. The rest of this year's orders have been cargo ships, where Japan has so far taken second place to European yards.

Japanese shipbuilders justify recent price reductions by making the point that the inflation allowance, which was being included in price quotations up to a year ago, has ceased to be necessary. They also claim that European allegations of price cuts ranging between 30 and 50 per cent. on recent Japanese ship contracts fail to take account of differences in specifications.

Despite that, there have been signs recently of concern by the Japanese Government that some companies have been cutting prices excessively. A medium-sized shipbuilder who secured big orders from a Greek line in September was investigated by the Transport Ministry and warned to exercise "caution" in future contract negotiations.

Kuwait may take over American Independent Oil

BY RAY DAFTER

THE KUWAIT Government, which has just completed agreement for the total acquisition of British Petroleum and Gulf Oil assets in Kuwait, is now considering taking over the local operations of the American Independent Oil Company.

The remaining 40 per cent. interest of Gulf and BP in the Kuwait Oil Company is being acquired for a compensation figure of some $50.5m., according to the latest reports from the state.

The American Independent takeover would be on a much smaller scale. The company, which operates independently of the Kuwait Oil Company in the so-called "neutral zone" between Kuwait and Saudi Arabia, accounts for about 3 per cent. of Kuwait's average daily oil production of 2m. barrels.

Mr. Abdel Mottaleb al Kazami, Kuwait's Oil Minister, announced the possibility of acquiring the American Independent's interests. He added, however, that Kuwait was not intending to take over another marginal operator, the Japanese-owned Arab Oil Company. He said Arab Oil had a "special position" because it operated neutral zone offshore wells for Kuwait and Saudi Arabia.

● Another OPEC member, Libya, has struck large quantities of oil at a test drilling site in western Libya, according to an Al-Jihad newspaper report quoted by the Libyan news agency.

The report added that the find, by the Libyan National Oil organisation, indicated a large oilfield.

Cyprus seeks Gulf trade

By Our Own Correspondent

NICOSIA, Dec. 2.

MR. MICHAEL COLOCASSIDES, the Cyprus Commerce Minister, said to-day that a Cyprus delegation which visited four Arab countries last month secured orders worth £2m. He announced that a Cyprus Trade Centre will be established at Dubai to promote Cyprus exports to the Gulf states.

Cyprus exports to those countries would include clothing, footwear, canned goods (mainly fruit juices and vegetables), plastics, building equipment and materials, water pumps, and even trucks and buses assembled in the island.

The Minister saw good prospects also for shipping fresh fruit and vegetables.

Swedish paper exports fall 30%

BY JOHN WALKER

STOCKHOLM, Dec. 2.

THE MARKET for pulp and paper did not improve during the third quarter, the Swedish Pulp and Paper Association says in its latest report. Production of paper and board, however, is usually seasonally low at that time because of the holiday season.

This year, production dropped sharply as companies tried to restore the balance between supply and demand by ceasing production at the industrial summer holiday period.

Output for the first nine months of mechanical and chemical plup at 3.36m. tons was 11.5 per cent. below a year earlier. Deliveries fell 36 per cent. to 2.4m. tons. For the third quarter, plup industry production was 1.96m. tons, of which 53 per cent. constituted market plup, a 20 per cent. decline on the year. The steepest drop was for mechanical pulp—33 per cent. Shipments to Western Europe of chemical pulp reached 1.8m. tons, of which nearly 1.4m. tons went to the EEC.

During the third quarter Swedish paper industry production fell 27 per cent. compared with the same period. During the nine months 3.3m. tons of paper and board were produced, of which 2m. tons was exported, but the decrease in exports amounted to 30 per cent. Shipments of newsprint were unchanged, resulting in a 40 per cent. drop in other qualities.

Exports of paper and board to the EEC for January-September declined almost 690,000 tons to 1.5m. tons, one-third of which was newsprint. A substantial part of the fall in exports was accounted for by Kraft paper and liner, which decreased by 420,000 tons.

At the same time, consumption of waste paper for the manufacture of paper and board was 10 per cent. lower at 26,400 tons.

Hopes rise for Chinese Spey jet engine order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PROSPECTS of an order from China for the Rolls-Royce Spey jet engine, with possible manufacture of that power-plant under licence, are now brighter.

Sir Kenneth Keith, chairman of Rolls-Royce (1971), is expected to visit Peking soon—probably from this coming week-end—for further discussions with the Chinese Government on its future engine requirements.

Whether the Chinese are yet ready to sign a contract is not clear—they have not made their final requirements known.

However, they are believed to be satisfied with the detailed information on the Spey already given them by Rolls-Royce, and with their knowledge of the engine through its performance in the Hawker Siddeley Trident airliners which they already have in service.

The Chinese are understood to be interested in building the Spey under licence because it would enable them to develop an aero-engine capability of their own, thereby ending their past reliance on both the West and the Soviet Union for this kind of technology.

Primarily, the Chinese want the engine for civil purposes. The Spey has been used in the West over the past 15 years in the One-Eleven and Trident jet airliners.

Phantoms

It has also been used, however, as the power unit for the Phantom fighters in the RAF, so to some extent it could also provide the Chinese with a military aero-engine if they wanted to use it in that way.

But it is pointed out that the Spey is, in effect, an "old technology" engine, and that while it is still giving valuable service in the Phantoms, it is being superseded in more advanced combat aircraft with new-generation engines, such as the Rolls-Royce RB-199.

It is largely because the Spey technology is so well known—both in the Phantom and through its civil airliner use—that there are no objections to the Chinese buying it.

The Government is understood to have approved the sale of Spey technology to China, while Rolls-Royce (1971) itself is keen on the idea, both for the ready cash it can provide and also for the longer-term foothold it would give the company in what is expected to be a major future aerospace market.

India to build new Gnat fighters

BY K. K. SHARMA

NEW DELHI, Dec. 2

THE INDIAN Air Force will next year fly an improved version of the Gnat fighter, built under licence from Hawker Siddeley Aviation. The new fighter will be called "Ajit," according to the Minister for Defence Production, R. N. Mirdha, and built by the public sector Hindustan Aeronautics.

India now has the capacity to build the MiG 21M, entirely from indigenous materials. MiG factories have been set up here with Soviet help.

According to Mr. Mirdha the Navy will receive its third Indian-built Leander class frigate in February and the fourth is in an advanced stage of production.

The frigates are being built in the Magazon docks established with British help. The fifth and sixth frigates to be built there will have an improved anti-submarine capability, and also have the additional capacity of carrying the more powerful Sea King helicopters instead of Aloettes.

Mr. Mirdha said Magazon docks have brought down the fitting out period to about 24 months from the date of launching, and this compares favourably with the time taken by foreign shipyards for the purpose.

The new frigates will have a bigger hull and a new weapons package to give them the "capability to meet the challenge of the 1990s," Mr. Mirdha said. He added that production trends in defence industries have recently shown a steady improvement.

● The Indian Government to-day raised prices of kerosene, cooking gas, furnace oil and high speed diesel. An announcement said this had become necessary after the decision of OPEC to raise crude prices by 10 per cent.

Venezuela anxious over protein plant

By Hugh O'Shaughnessy

SENIOR VENEZUELAN Government officials are concerned at the slow progress of negotiations with British Petroleum and private investors on the setting up of a plant to produce proteins from petroleum. "All the work has been completed at the technical level," commented a senior official, "but there seems to be a reluctance at the top to take the final decision."

It is felt in Caracas that BP may be holding back to see how nationalisation of the oil industry, scheduled for New Year's Day, works out in practice and because of the stiff rules regulating profit remittances and the protection of patents within the Andean Pact.

The Venezuelan Government has repeatedly said that its aim is to ensure complete normality in the industry after vesting day, and has emphasised that the British company has nothing to fear from the Andean rules.

The Government has shown great interest in BP technology, which could give a much-needed boost to the animal feed industry and cattle ranching. The cost of a plant to produce 100,000 tons of synthetic protein was last year put at up to £30m., a sum which Venezuela would have little difficulty in finding.

Buy British campaign

MR. PETER SHORE, Secretary for Trade, has revived the "Buy British" campaign in a paper circulated to Government, union and employer members of the National Economic Development Council before to-day's monthly NEDC meeting.

His paper is understood to call for "a fresh and systematic look" at the relations between manufacturers and users in U.K. industry, with particular emphasis on their purchasing policies.

Whitehall sources say the NEDC, with its wide ranging industrial contacts, is seen as the best forum in which to review a variety of industrial sectors, with an eye on finding import-saving opportunities to aid employment and the balance of payments.

At the same time the Government is trying to strengthen the U.K. export effort, and a further paper circulated to NEDC underlines: "the need for a developing relationship between Government and exporters."

The Department of Trade has contacted some 75 of the country's largest exporters in order to get a better idea than hitherto of the general order picture.

China's need of oil equipment

Output increasing at annual rate of 20%

BY COLINA MacDOUGALL

A MISSION from China composed of senior officials of the National Machinery Import and Export Corporation and others concerned with oil and gas exploration arrived in Singapore at the week-end at the invitation of the Singapore Economic Development Board.

The team is meeting local and international industrialists, and expects to visit shipyards to discuss the purchase of supply and utility vessels as well as the servicing of Chinese ships. Last year a deal between the Chinese and a Singapore company for the sale of drilling rigs was discussed but did not materialise.

The renewal of interest is a sign of the Chinese requirement for foreign oil equipment. Recently, they have bought oil production equipment from U.S. concerns and steel from Japan, including seamless tubing and other special steels intended for oilfield use.

A Chinese delegation led by the vice-minister of petroleum and chemical industries visited Norway in October to see offshore drilling platforms and rig construction sites. An invitation to the Norwegians to send a team to China was expected to follow. At present, the Chinese seem more interested in Norway than in Britain as a potential supplier, as they have not taken up suggestions to visit Scottish and North Sea locations.

Despite China's current intentions to import foreign equipment to expand its oil industry, oil exports continue to face difficulties. Crude from the three major fields—Taching, Takang and Shengli—has a high heavy oil fraction and pour point. Taching crude solidifies at normal temperatures, and in China hardens in winter even in heated pipelines. Those characteristics make it uneconomic to handle at the kind of price (around $12 a barrel) that the Chinese agreed with Japan earlier this year.

Chinese deliveries of oil to Japan are unlikely to amount to the full 8m. tons agreed for 1975. The quantity to be contracted for next year will probably not exceed this year's total. Already, Japan is burning more than 30 per cent. of its imports from China as crude in the power and steel industries, which is a wasteful process.

The Japanese Government has been pressing reluctant oil importers to make a long-term contract with China to diversify sources and to help balance the currently one-sided Sino-Japanese trade. The Chinese side, showing some flexibility, has agreed that the actual amounts should be decided later. However, what the Japanese are really seeking is a reduction in price.

So far, the quality of the product from China's newest fields is not known. Even those which are located close to existing fields may produce a more generally useful crude if the geological formation is different.

One solution for present problems would be for the Chinese to refine the crude and export the products. The location of two new refineries, close to sizeable ports at Shanghai and Canton, suggests they may have this in mind. Port expansion is continuing rapidly, and facilities at some harbours are now said to be adequate for vessels of up to 100,000 tons.

Crude output in China is still apparently rising fast, probably at a rate of over 20 per cent. annually. That would, on the basis of previous estimates, give a 1975 output of 75m.-80m. tons.

Long-term forecasts of future oil production made by observers in Washington and elsewhere have been scaled down, however, as it seems likely that the rate of increase will inevitably become slower. Earlier projections of a production of well over 200m. tons by 1980 have been reduced to around 180m. because of the technical and equipment supply problems the Chinese may encounter.

Contracts Abroad

LOCKHEED AIRCRAFT'S Missiles and Space Unit will design and build a new ocean survey satellite called Seasat at a cost of $20m.

STORK-WERKSPOOR DIESEL will build six engine room installations, each with nine-cylinder diesel, worth £3.7m. in all, for D.B. Cargo Lines, Istanbul. The engines are for six 5,500 dwt semi-container ships.

FOKKER-VFW has sold two F27 Mark 500 Friendship aircraft for third-quarter 1976 delivery to the Australian operator East West Airlines.

The Financial Times, published daily except Sundays and holidays. U.S. subscription $190.94 (air freight) $381.55 (air mail) per annum. Second class postage paid at New York, N.Y.

AMERICAN NEWS

Ford has lengthy meeting with Chairman Mao

PEKING, Dec. 2.

PRESIDENT Gerald Ford had a lengthy meeting with Chairman Mao Tse-Tung to-day on the second day of his mission to China.

Mr. Ford and Secretary of State Henry Kissinger earlier opened formal talks with Chinese leaders at a two-and-a-half-hour session devoted to international issues.

An American Press communiqué said that the President's audience with Chairman Mao—the highest honour Peking can bestow on guests—lasted one hour and 50 minutes. It gave no details of the discussions. The frail, 81-year-old father of Chinese Communism shook hands with eight others in the U.S. party—including Mrs. Ford.

After photographs and a round of introductions, Mao got down to discussions with Mr. Ford and four others in the group—Dr. Kissinger, Mr. George Bush, the U.S. Laison Office chief, Mr. Brent Scowcroft, Presidential adviser on national security, and Mr. Winston Lord, a senior State Department official.

The Chinese do not like visitors to reveal detailed accounts of their talks with Mao and the White House Press Office appeared to be complying. There was no word whether Chairman Mao, who also met former President Nixon here in 1972, raised the delicate question of U.S. detente with the Soviet Union.

The length and cordiality of the meeting seemed to underscore China's aim of treating Ford personally with warmth while scolding the U.S. for its detente policy.

Mao has reportedly suffered a series of strokes and grants such audiences selectively, but a senior American official in Ford's party said that the Chairman was mentally sharp and seemed surprisingly fit.

Other statesmen who have met the Chairman this year have been given strong warnings against détente—the major area of disagreement between China and the U.S.

At a welcoming banquet last night, Mr. Ford was told by Vice-Premier Teng Hsiao-Ping that rhetoric about détente could not hide the growing danger of world war.

Before to-day's formal talks, White House spokesman Ron Nessen made clear that the President intended to stand up to Chinese criticism. He said that Mr. Ford would explain "the American position forcefully and fully and frankly." The President was unsmiling and appeared preoccupied when he left the talks, in the Great Hall of the People.

A U.S. Press statement simply said there had been "a constructive exchange of views on a wide range of international issues. Both sides found the discussions were beneficial."

A Chinese official said there had been a "candid" exchange of views—indicating there may have been some tough talk. The Chinese side was led by Mr. Teng, Peking's third-ranking leader, in the absence of ailing premier Chou en-Lai. Dr. Kissinger later invited Foreign Minister Chiao Kuan-Hua to his guest villa for more discussion.

● The Soviet Union, to-day denounced as "vicious" a Chinese official's welcoming toast to President Ford in Peking. In a dispatch from the Chinese capital, the Tass news agency angrily attacked the speech by Acting Premier Teng Hsiao-Ping and said that Mr. Ford was still determined to pursue détente with Moscow.

Agencies

GERALD FORD, the U.S. President, listening to his wife's voice coming through the Temple of Heaven's circular stone wall, Peking. A whisper at a certain point on the wall can be heard on the other side. The notice asks visitors not to deface the wall.

President faces three-Bill dilemma

By David Bell

WASHINGTON, Dec. 2.

PRESIDENT Ford will have to decide the fate of three important and politically-sensitive Bills dealing with oil prices, an extension of the tax cut and picketing on his return from the Far East.

All three Bills, which have almost completed their passage through Congress, pose political problems for the President even though they are largely supported by his own administration and he can be sure that whether he vetoes them or not, he will come in for considerable criticism.

The first, which would reduce the price of crude oil until after next year's election when it would be allowed to rise, is the result of more than a year of haggling between Congress and the administration. The Federal Energy Administration supports the measure, but it has been sharply criticised by the oil companies, Republican congressmen and by Mr. Ronald Reagan whose challenge for the Republican Presidential nomination is causing Mr. Ford great concern.

Equally, Mr. Ford's administration sees the need to follow this year's tax cuts with a \$28bn. cut next year in order to bolster flagging consumer spending, whose continuing low level is a major reason for the recent slowing down in the pace of economic recovery. But Mr. Ford, for whom economic recovery is a crucial election issue, has said that he will not approve the tax cut unless Congress lops a similar amount off federal spending.

A third Bill, also given qualified approval by the administration, allows building trades unions to picket an entire building site even if they are only in dispute with one sub-contractor. Mr. Ford has welcomed this provided it is accompanied by the creation of new federally-backed collective bargaining machinery for the industry. But many Republican Congressmen oppose this strongly as does the industry.

In all three cases, Mr. Ford will have to decide how much attention to pay to Mr. Reagan's views and whether he dare ignore them. His dilemma is the keener because which ever course he decides on will leave a good number of people displeased and Mr. Ford is well aware of the need to avoid this at the start of an election year.

NEW YORK PLAN FACES TROUBLE

WASHINGTON, Dec. 2.

PRESIDENT FORD'S financial rescue plan for New York City is expected to win swift approval to-day in the House of Representatives, but then face trouble in the Senate.

The proposal for up to \$2.3bn. in federal loans to the near-broke city in each of the next three years will be debated and voted on to-day by the House. It then goes to the Senate where Alabama Democrat James Allem has threatened to talk it to death in a filibuster. Both Houses must approve the aid plan before Mr. Ford can sign it and New York can begin tapping the federal government for funds to avoid defaulting on its debts.

Reuter

Three killed in Argentine bomb blast

By Robert Lindley

BUENOS AIRES, Dec. 2.

A BOMB blast in a house early this morning in Tucuman City killed a Chilean refugee and her child. In trying to escape from the house, another victim—the father of Clarisa Rosa Lea Laplace, one of the nineteen killed in the "Trelew Massacre" three years ago—was gunned down.

The dead so far this year from political violence in Argentina total more than 750. In August four members of the family of Mariano Pujadas, another of the nineteen killed in the "Trelew Masacre," were killed by right-wing terrorists. The nineteen were killed while being held a naval air base in Pantagonia, trying to escape, according to the Navy.

Tucuman City, where the three were killed this morning, is the capital of Tucuman Province, which is in the Argentine north-west and is the battleground where the Marxist People's Revolutionary Army (ERP) is struggling in the jungle against the Army, the Air Force and the security forces. The Navy will soon send marines to Tucuman Province as well.

GUN CONTROL BILL

WASHINGTON, Dec. 1.

A SENATE Sub-Committee to-day passed a Bill banning the sale of all easily concealable non-sporting handguns, including "Saturday Night Specials"—cheap pistols widely used by criminals.

The measure, drafted by Indiana Democrat Birch Bayh, now goes to the Judiciary Committee for consideration.

Reuter

Congress moves alarm bankers

BY GUY DE JONQUIERES

NEW YORK, Dec. 2.

FOREIGN bankers in the U.S. are now expressing concern about the outgrowth of new pressures in the Congress to tighten controls over their operations and curtail a number of the freedoms which they have enjoyed for many years.

Their alarm is shared by their domestic counterparts, who are also resisting the threat of legislation which would impose new curbs on their international operations and require substantially greater disclosure and official supervision than at present.

Both groups of banks are due to argue their case at Congressional hearings which opened in Washington to-day. The cause of the foreign banks is expected to receive some support from American bankers, who fear that any rash actions by the U.S. could trigger off a wave of retaliation by banking authorities abroad.

The main focus of concern is a report by the House Banking Committee issued last month. Entitled "Financial Institutions and the Nation's Economy" (FINE), the report does not propose specific legislation but sets out a series of "discussion principles" designed to stimulate debate.

Nonetheless, the report has unsettled the foreign banking community, both because its publication was not expected and because some of the ideas which it sets forth go well beyond the proposed legislation on the regulation of foreign banks drawn up by the Federal Reserve Board.

It is feared that the report could become a rallying point for the forces in Congress which favour more stringent controls on foreign bank operations and jeopardise the prospects for the Fed Bill, which has already been languishing in Congress for about a year.

One of the FINE report's most controversial suggestions is that foreign bank branches should be barred from taking domestic deposits in the U.S. unless they incorporate as subsidiaries. This proposal could hurt a number of European banks, whose U.S. branches are backed up directly by the balance sheets of the parents.

The FINE report also favours abolition of the "grandfather clause" recommended by the Fed, which would permit foreign banks which already have branches in more than one state to retain them. The report would permit interstate branching by foreign banks, though this would have to be sanctioned by the states involved.

At present, only a handful of States permit interstate branching, though these include New York, California and Illinois, where most foreign branches are located. Barclays, which is incorporated in the U.S., has branch networks in both New York and California, as well as offices in Chicago and Boston.

The report recommends the establishment of a new, unified regulatory agency called the Federal Depository Institutions Commission, which would oversee both domestic and foreign banking operations.

Vote recount in Canadian postal strike

BY VICTOR MACKIE

OTTAWA, Dec. 2.

CANADA'S postal strike, now in its fifth week, continued to-day after a recount was ordered in a Canadian Union of Postal Workers vote on whether to accept the federal Government's offer. The CUPW refused to allow the vote to those who had crossed the picket lines to work in the past two weeks.

This disenfranchised several thousand of the union workers. The Montreal branch of the CUPW voted 70.5 per cent. against the Government's proposal. The large Toronto branch voted by a substantial margin in favour of the proposal.

The members in the Ottawa branch voted in favour of the Government's offer. The head of the national CUPW ruled that the votes outcome was so close that a recount was ordered. Postmaster General Bryce Mackasey is protesting that the voting was rigged.

● The Mayor of Montreal said last night that productivity must increase at the Olympic Games site—beset by strikes and increasing costs—"or there will be no Games."

Mayor Jean Drapeau, who was interview on a French-language station, added that he was optimistic that the installations would be completed by the esceduled opening date of July 17.

Reuter.

THE CARIBBEAN CURRENCY MUDDLE

A conflict of dollars

BY TONY COZIER, BARBADOS CORRESPONDENT

THE MULTIPLICITY of currencies in the Commonwealth Caribbean is causing considerable concern, and proponents of the Caribbean integration movement fear that it is having adverse effects upon the established Caribbean Community and Caribbean Common Market.

The main problem is that there are five separate currencies now being issued by five separate fiscal authorities. That might well be acceptable but for the fact that three of these currencies—the Jamaican, Barbados, and Guyana dollars—are now linked to the U.S. dollar, whereas the Trinidad and Tobago dollar and the East Caribbean dollar remain tied to sterling.

While the central banks of the first four islands mentioned exercise strict exchange control, the East Caribbean Currency Authority (ECCA), which is not a central bank, permits free convertibility of EC dollars into sterling. Since part of the Caricom exercise is for the wealthier countries to channel funds into the poorer countries of the East Caribbean, it is claimed that such funds may there be converted into sterling, opening an escape hatch for regional funds which need to be husbanded and controlled. Accordingly, St. Lucia has recently altered its regulations to give the East Caribbean Currency Authority power to establish its own controls over money movement and currency parity.

Fixed exchange rates between Caribbean currencies can only come about by tying all to the same major currency, and will diminish inconvenience experienced, for example, by East Caribbean students in Barbados who now find themselves at a considerable disadvantage with money worth some 15 per cent. less than before the recent strengthening of the U.S. dollar. However, it is the power to exercise exchange control which would help meet the better-off countries' complaints. But these decisions will not become enforceable until other poor countries follow St. Lucia's lead, and that will take some time.

What is more threatening to the Caribbean integration ideal is the switch of three of the currencies to the U.S. dollar. It means that central bank policies in the one bloc necessarily conflict with those in the other. Goods produced in Jamaica, Guyana, and Barbados have suddenly become much more expensive in Trinidad and the Eastern Caribbean. The U.S. dollar-based countries stand to lose much of their trade with the Eastern Caribbean countries—Grenada, St. Vincent, St. Lucia, Dominica, Antigua, St. Kitts-Nevis, Montserrat, and Anguilla. These countries are the least self-sufficient industrially and are naturally good hunting grounds for the manufacturers of the wealthier countries.

> 'Central bank policies in the one bloc necessarily conflict with those in the other.'

The currency of each issuing authority is only legal tender within its own confines and inter-island travellers are put to considerable inconvenience when moving within the region. Exchange control is applied however with varying degrees of strictness—rigorously in Guyana, for example—and there is no common policy.

Because individual Governments may wish to cling to one or the other of the two base currencies, there would appear to be an incipient threat to freedom of trade within the Caribbean Common Market which is the lynch pin of the community. Accordingly the recent announcement by Jamaica that all Caricom products will be subject to import licencing is regarded as an unhappy augury, although it has been claimed that it is merely a "monitoring exercise." As a result proponents of integration are suggesting a Caribbean central bank as the sole issuing authority, arguing that it would remove the present inconveniences to travellers and traders, prevent exchange rate manipulation, and guarantee freedom of movement of investment funds. It would mean pooling the foreign exchange of the whole region and would, says Mr. Noel Venner, secretary-general of the Caribbean Association of Industry and Commerce, "obviate the necessity for individual territories to interrupt the pace at which the integration movement is proceeding, by the imposition of various forms of control (designed) to protect their balance of payments position."

It is difficult to envisage the acceptance of any such idea by the Governments concerned. In the first place it would undoubtedly require a surrender of sovereignty, and that is not a likely prospect as far as the detached observer can see.

Within the Caribbean area there is the pronounced socialism of Guyana and its Cooperative Republic, the "socialism is love" approach of Mr. Michael Manley in Jamaica, the "God-given" rule of Mr. Eric Gairy in Grenada, and the far milder and more pragmatic socialism of Mr. Errol Barrow in Barbados. No easy resolution is in sight to the currency confusion.

EUROPEAN NEWS

1978 start on introduction of Community passport

BY ROBIN REEVES

ROME, Dec. 2.

DIRECT elections to the European Parliament will take place in either May or June, 1978, in at least seven of the nine EEC countries. The same year will also see a start made to the introduction of a European passport for citizens of the Community.

Both measures, aimed at fostering the identity of the European Community, were agreed by Common Market leaders here to-day, prior to the big clash over Britain's demands for a separate seat at the energy conference.

The go-ahead for direct elections was inevitable once it became clear that British and Danish reservations were not going to be allowed to stand in the way of a positive decision by the seven other EEC members.

At the same time, all that has been decided upon broadly is the timing. Precisely how, that is, it will take place, the method of elections, the number of seats and basis for their distribution, the relationship between directly elected Euro-MPs and their national parliaments, have all still to be decided upon.

At a time of economic austerity, however, the majority of EEC leaders were happy to support direct elections in 1978 and the European passport as inexpensive ways of reaffirming their devotion to building a united Europe. But in the longer-run the move can obviously provide an important psychological boost towards a stronger European awareness and identity within the Nine.

Mr. Wilson, the British Prime Minister, accepted the majority decision gracefully. Setting aside British objections that 1978 provides too short a time to consult all interested parties and to iron out the many practical problems involved, Mr. Wilson told his European colleagues that Britain would "do its best" to meet the 1978 deadline.

The Danish Prime Minister, Mr. Anker Jorgensen, gave no such undertaking, reiterating that he was still bound by his Parliament's two reservations.

These are that its directly elected members of the European Parliament must also sit in the national parliament and that elections to the European Parliament must take place on the same day as its own national elections.

But there is some hope that the Danes may change their minds, given the determination of the rest of the Community to press ahead.

Indeed, Mr. Wilson intervened to stress that he did not agree with the Danish reservation. He accepted that elections should take place in all countries on the same day: only stressing that this should not be a Sunday for reasons of Protestant religious propriety. He was fully supported on this point by the Dutch Prime Minister and subsequently the EEC leaders agreed to rule out Sunday as European polling day.

On the European passport, the Common Market heads of government agreed that those in a position to do so could start issuing them from 1978 onwards. The only points decided so far are that they would be claret coloured, 32 pages thick and will bear the title *European Community* above the national designation. This was another concession by Britain and Denmark who had both originally pressed for the national designation on top.

But there are many other details undecided, such as the languages for its contents and, for the time being, in fact, the European passport promises to be little more than symbolic.

A great deal of work has to be done before the Community is in a position to harmonise its immigration procedures. Until then, the European passports will only look different from national passports. They will be issued by national authorities and subject to national laws and conventions.

Soviets slash growth targets

BY MOIRA CUNYNGHAME

MOSCOW, Dec. 2.

THE SOVIET Union announced the lowest industrial growth targets for decades to-day because of agricultural difficulties and delays in implementing capital investment. As in the past, the consumer section will be the most hard-hit.

Industrial output in 1976, the first year of the 10th Five Year Plan, will increase by 4.3 per cent., with the production of capital goods, Group A, increasing by 4.9 per cent., and the production of consumer articles, Group B, by 2.7 per cent.

This is in sharp contrast from the five-year period just ending, when increases of 6.7 and 7.4 per cent. for Groups A and B respectively were planned for the first year. The consumer section was moved back to second place after the disastrous harvest of 1972, and it seems that fewer promises will be made to the consumer in the next Five Year Plan, details of which will not be revealed until next year. In line with the slower growth of the consumer industry, personal incomes will rise less.

As in past years when there was a bad harvest, no figures for the harvest were given. The chairman of the State Planning Commission, Mr. Baibakov, said that the low growth rates for 1976 were a result of a shortage of raw materials from this year's harvest as well as delayed capital investment, exactly the same phrases as he used in December 1972.

The harvest target for next year is 14 per cent. above the average of the 1971-75 period, which would mean about 210m. tons, or 30 per cent. more than expected for this year. Mr. Baibakov said that the cotton harvest this year exceeded the plan, which means that it was more than 7m. tons. Mr. Baibakov also said that industrial output rose by 7.5 per cent. this year, slightly more than planned, and therefore rose by 40 per cent. during the five-year period against the 47 per cent. planned.

Almost none of the five-year targets, except the production of coal and fertilisers, has been reached and it may be that an effort is now being made to set more realistic growth rates.

The defence budget next year remains at 17.4bn. roubles, the same as the current year, but accounts for a slightly smaller percentage of the national income, 7.8 instead of 8.4 per cent. These figures are seen as largely political, as much of defence spending is hidden under other budget headings.

Foreign trade will continue to expand, and a rise of 13.6 per cent. is foreseen next year. Production of oil and gas condensate is estimated at 520m. tons.

Good China harvest, Page 28

France cool to Nato arms plan

BY DAVID BUCHAN

BRUSSELS, Dec. 2.

LAST MONTH'S initiative by the European members of Nato (the Eurogroup) to set up a new mechanism to involve France in European arms production could both scare France off and damage the alliance, according to a top-ranking Nato source in Brussels.

Dr. Joseph Luns, Nato's secretary-general, told the Western European Union Assembly in Paris yesterday that he was hopeful of associating France with European weapons procurement. But France "is not enthusiastic," says the source, about the plan which the Eurogroup (disliked itself by France as a unit of Nato) put forward in The Hague in November to set up a body separate enough from Nato to be politically acceptable to Paris.

Before the Euro-group "took the bit between its teeth," Nato's international staff were confident of drawing the French closer, particularly in the discussion of the matter in the full Nato Council which meets next week and where France will have its Foreign Minister present. It is now felt in Brussels that the French are being asked to respond too quickly in a glare of publicity to the Euro group proposal, from which they will have to back away.

The Hague plan is taken by Nato's international staff as a further sign that the Euro-group is taking on too much of a life of its own for the general good of Nato. The Euro-group used to be purely a get-together of European Defence Ministers before full Nato Ministerial meetings in Brussels.

It now often meets quite separately and elsewhere—in London and the Hague in recent months. But senior Nato military staff are "very unhappy" too, at the proposed separate arms body; they see it as acquiring secretariat and staff and, worst of all, ambitions towards arms strategy development once it goes into joint arms projects.

It is also clear in Brussels that Mr. Roy Mason, British Defence Minister, will have to do a considerable amount of explaining to his colleagues of the Press reports of a second round of British defence cuts.

Some Nato sources hope that these can be modified by international pressure, as was the case to a certain extent in the first round of cuts.

But any Whitehall cuts are clearly still in the early stages. There is an established procedure of consultation with Nato in these cases and neither its international staff nor the British delegation to Nato have been officially informed of any cuts yet.

GERMAN SURPLUS SHOWS A RISE

FRANKFURT, Dec. 2.

GERMANY'S balance of payment's on current account showed a provisional DM714m. surplus in October, compared with a DM589m. surplus in September and a surplus of DM2.8bn. in October last year, the Bundesbank said.

The Bundesbank said the current account surplus in the first 10 months of this year fell to DM6.5bn. from a DM17.9bn. surplus in the same 1974 period.

The basic payments account, which combines the current and long-term capital accounts, showed a provisional DM194m. surplus in October against a DM790m. mark deficit in September and a surplus of DM2.3bn. in October last year.

In the first 10 months of 1975, it was DM8bn. in deficit against a DM14bn. surplus in the same 1974 period.
Reuter

More tests on Viggen

By John Walker

STOCKHOLM, Dec. 2.

IT IS unlikely that the grounded Saab Viggen 37 aircraft—which will form the backbone of the Swedish Air Force well into the 1980s—will be flying again before the spring following three unexplained crashes.

The first was in July, 1974, and the two others at the beginning of October this year.

The commanding officer of the air force, Lt.-Gen. Dick Stenberg says in a summary of the investigating committee's report, that it is unclear what caused the crashes.

It cannot be said with complete certainty what the cause was, but many things point to a break in the wing spars during flight.

It is thought that all three aircraft were subject to vibration in the so-called "nose wing" of the double-delta configuration which probably led to a break-up in flight.

Directly before Christmas a test flight programme of the hunter version of the Viggen will commence which will measure the strain of the wing structure, while a fighter version will commence a similar series of test flights in January.

Rightist to head Cortes

BY ROGER MATTHEWS

MADRID, Dec. 2.

A NEW wave of pessimism swept through moderate Right, Centrist and Left-wing political factions in Madrid this evening following the decision by King Juan Carlos to appoint Sr. Torcuato Fernandez - Miranda as President of the Cortes, a vital constitutional post.

Sr. Fernandez-Miranda was deputy to Prime Minister Carrero Blanco, assassinated at the end of 1973, and is a man of impeccable Right-wing credentials.

However, the pessimism was tempered by the hope that the King will balance this decision by appointing a moderate as Prime Minister, and ensuring that a new Cabinet is formed from people who are prepared to countenance positive moves towards a democracy.

Adding to the complexity of the present political mix, the judicial authorities to-day released eight leading members of the Spanish Communist Party including Sr. Simon Sanchez Montero, who had been arrested two weeks ago under the anti-terrorist law.

The appointment of Sr. Fernandez-Miranda had been signalled at least three weeks ago and was followed by intense lobbying from the moderate Right. They are convinced that the King is making a serious mistake, although it is admitted that Sr. Fernandez-Miranda will be extremely sensitive to the wishes of Juan Carlos.

A lawyer and university professor, Señor Fernandez-Miranda acted as personal tutor to Juan Carlos in political science, a sure sign that he had fully earned the confidence of General Franco.

The Council of the Realm met for over six hours last night to consider the three names it would forward to the King for selection. Señor Fernandez-Miranda topped the voting.

Irritated by the non-combative attitude of the Communist Party, the Spanish Workers' Party (PTE) has called a strike of construction workers in Madrid for to-morrow and Thursday and depending on the response, are prepared to invoke a general strike.

Thousands on march in Paris

PARIS, Dec. 2.

TENS OF thousands of demonstrators, including a small contingent of police, marched through the centre of Paris to-day to back demands for shorter working hours and a lower retirement age.

The demonstrators were responding to a call from France's two main trade union groupings, which also organised a series of 24-hour strikes throughout the country. Kindergarten child-minders, railwaymen and miners were among those involved.

Among the first ranks of marchers were about 50 policemen, out of uniform but marching under a banner of the police branch of the Communist-led CGT union group.

The CGT and the Socialist CFDT have called for the maximum working week to be set at 40 hours with an overall reduction of the retirement age from 65 to 60.

The Government last month introduced a lower retirement age for certain groups of manual workers and working mothers, but the Communist daily L'humanité to-day called the measure "derisory."

Apart from the strikes called by the CGT and CFDT in the latest of a series of "action days" to draw attention to social grievances, radio and television programmes were disrupted by other stoppages by technical staff and journalists.

State radio stations broadcast mainly music with a minimum of news bulletins, and television viewers were promised only films tonight.—Reuter.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

EUROPEAN NEWS

Belgian retreat from pay policy

BY DAVID CURRY BRUSSELS, Dec. 2.

THE BELGIAN Government has beaten a hasty retreat from its incomes policy proposals. The latest version of its anti-crisis package has been shorn of much of its anti-inflation element and consists essentially of steps to combat unemployment coupled with rather loose promises of economic restructuring.

The main casualty of the package unveiled in November is the proposal to extend collective wage agreements due for renegotiation up to the end of July for a period of nine months, during which only pay rises stemming directly from the cost-of-living index would be permitted.

The Government has dropped this proposal in the face of the noisy opposition of the Socialist union, the FGTB, and the certainty of a rough passage in Parliament.

However, up to now it is still intending to surtax companies which break the nil-norm for the new round of wage negotiations, a position attacked by the employers as inconsistent and impractical, while workers who get real pay awards may see half of the increase paid into a fund to help finance early retirement schemes.

The plans for early retirement have been made more firm, with men eligible from the age of 62 and women from 58, provided the job vacated is awarded to someone out of work under the age of 30.

The exclusion of a portion of salaries from compensation for price increases is also retained, with the threshold being lifted slightly to B.Fr.40,250 a month, a figure which will trap large numbers of white-collar workers. It is also intended to maintain earlier plans to restrain dividends due to be paid out in the period to next September and to maintain the freeze on rents and on professional incomes.

The commitment to establish a public holding company to extend the role of the State in industry under the guise of structural improvements is retained from the earlier version of the anti-crisis plan.

Although the Centre-Right government has been forced progressively to retreat on its proposals, the situation does have some compensation for it in the increasing signs that the trade unions' common front is becoming fractured.

The Catholic CSC, the country's biggest union, which scored some significant gains from the Socialist FGTB in the recent company elections, is disposed to admit the government's right to impose an incomes policy and to argue only about the details.

The FGTB, linked tightly with the Socialist opposition, has set its face stridently against government intervention in wage bargaining.

Dutch plans get critical reception

By Michael Van Os

AMSTERDAM, Dec. 2.

THE DUTCH Government's proposals for a pay freeze in the first half of next year, coupled with reinforced price control, in an effort to cut inflation and to reduce unemployment, has had a rather critical reception from the two Social partners and a lukewarm welcome from Parliament which is discussing the package in The Hague to-day.

The largest of the employers' federations, the VNO, said the Cabinet had left itself no choice but to intervene on the wages front now it had refused to reduce public expenditure which the employers have been seeking for some time.

The VNO added that the actual economic short-term outlook was bleaker than the Government seemed to think and the wages/prices package would scarcely improve company profitability while unemployment would continue to rise "significantly" next year.

The employers said they were prepared to co-operate with government and trade unions on consultations over a possible restructuring of the Dutch economy—about which a White Paper is due early next year—"provided the responsibility of company management is recognised and guaranteed."

Here, the employers refer to government plans for some "social audit" of company investments balanced against the employment position.

With Parliament expected to approve the package, the trade union movement has criticised the measures as "vague" and partially unfair.

The largest union, the Socialist NVV, said last night after a full-day meeting that the package had been prepared too hurriedly and that it looked as if the wage earners alone would foot the bill next year.

THE PORTUGUESE UPRISING

A stitch in time saved the Nine

BY PAUL ELLMAN

THOSE involved were probably unaware of it at the time, but the uprising in Portugal last week was doomed hours before the paratroopers at Tancos raised the flag of revolt. As the paratroops put the finishing touches to their plan to take over Tancos and three other bases and while sympathetic units declared their support for the rebellion, President Francisco da Costa Gomes was finally being forced to come down on one side in the crisis which had reduced Portugal's government to paralysis and which, to use his own subsequent words, was threatening to engulf the country in a civil war.

The President, known as The Cork because of his capacity to bob back to the surface no matter who else may have sunk, had the message delivered to him by angry farmers who blocked the main highway to the north from Lisborn at the town of Rio Maior on Monday night.

They arrived at the Presidential palace in Belem, on the outskirts of Lisbon, to tell him to his face that unless he took a firm stand against the Communists and their allies he risked going down in history as the President who presided over the break-up of the Portuguese republic.

By their action, the farmers, who were threatening to deprive the capital of electricity, water and food, had brought closer to reality the great Portuguese political nightmare—an irrevocable split between the more conservative areas to the north of the Tagus and the more radically inclined to the south of the river.

President Costa Gomes, the country's only five-star general—in itself tribute to his capacity for survival through the Salazar and Caetano years—was driven to consult with military chiefs who backed the Sixth Provisional Government and, even as the Left-wing rebellion began, the operational plan to crush both it and the political campaign which produced it was being completed.

The ease with which the rebellion was crushed militarily is well known. But the political consequences are only just beginning to become visible through the fog of accusation and counter-accusation. For the non-Communist Far Left, mostly grouped in a loose alliance called the United Revolutionary Front (FUR), the failure of the uprising has created a political limbo from which they may never emerge.

The groups within the FUR are now forced to sit and listen as President Costa Gomes's aides at the Belem Palace warn them that the political game has changed and that there will be no mercy for those who, like the leader of the People's Revolutionary Party (PRP), Isabel do Carmona, call for the people to be armed in order, as she explained at the time, "to prevent a civil war" and who continue to possess weapons.

A hunt for arms has so far resulted in the recapture of something like 2,000 of the estimated 20,000 rifles and other weapons distributed by sympathetic soldiers to civilian Leftists in recent months.

At least 30 civilian Leftists are in detention, presumably being interrogated to establish where the remaining arms are being hidden. The Far Left has also, in the meantime, lost its access to radio stations which openly sided with the campaign against Admiral Jose Pinheiro de Azevedo's Government. It has lost nearly all of its newspapers and, most important, has also seen its champions on the Revolutionary Council of the Armed Forces Movement picked off one by one and replaced by officers of a more traditional kind who are now planning to trim the armed forces from their present swollen size and re-introduce procedures such as saluting and obeying orders which had died out in the units involved in the uprising—perhaps a major cause of their early disintegration when they came under pressure from crack units.

The mixture of naivete and outright cynicism involved in the political campaign which culminated in the rebellion has probably irreparably damaged any chance of another alliance between the Far Left and the Communist Party. Two views of the Party's role in the rebellion prevail here, neither of them charitable to the men who occupy top positions in its leadership.

The first is that the party genuinely believed that it could ride the Far Left tiger and that there was something to be gained from doing so, but that when it realised that the beast was rather toothless it hastily jumped off, leaving it to the tender hands of the taxidermist.

The other view, and the one which finds favour among the Far Left itself, is that the Communists only pretended that they were solidly behind the campaign, in order to destroy the Far Left. The Maoist Movement for the Reconstruction of the Party of the Proletariat (MRPP), which refused to have anything to do with the FUR on the ground that it would be used by the Communists to further their own interests, has been saying: "We told you so," and indeed, is one of the few Far Left groups to emerge relatively unscathed from the past week.

The President's long-term political future looks increasingly doubtful. And there is growing speculation in Lisbon that the Constitutional Assembly may well agree on an elective presidency when it produces the written constitution it has been given 90 days to draft.

The political future of the Communist Party, too, is somewhat obscure, partly due to intellectual differences between elements of the military leadership, like Major Melo Antunes, the chief ideologue of the Group of Nine, who feel fundamentally that the Communist Party is bound to occupy a central position on the Portuguese political stake, but hope that it will start behaving more like its Italian counterpart and some tougher military leaders, like Colonel Jaime Neves of the commandos, who are not satisfied that the political purge has gone far enough.

The two main political parties, the Socialists and the Popular Democrats, have, of course, emerged with their standing inside the country higher than at any point since the coup of March 11 this year.

President Costa Gomes' stitch may have been in time to save the Nine on this occasion. But the position of the Group of Nine is not seen to be very secure here since there are elements in the Revolutionary Council which want the military to return to barracks. Dr. Francisco Sa Carneiro, the Popular Democratic leader, believes that the tidal wave set off by the bid for power of the Left is now moving in his favour and makes no secret of the fact that he expects his party to replace the Socialists of Dr. Mario Soares as the country's biggest party after the next elections which should, in theory, take place during the spring.

Whatever the military may feel privately about the civilian politicians, it is only too well aware that keeping them in office is part of the price they must pay in order to obtain financial assistance from western countries. They must also exercise economic austerity at home.

A plan freezing wages, cutting deep into consumer spending and perhaps bringing in rationing of basic foodstuffs and strict import controls, is expected to be published as soon as the political dust has settled and the Government is back at work.

Enforcing the plan, which is intended to end a situation where output is stagnant, inflation roaring ahead at about 30 per cent, and the country is faced with difficulties paying for food imports, is likely to be the major task in the months ahead.

As mutinous soldiers join the dole queues which already account for 16 per cent. of the active population, the wells of bitterness are likely to become even deeper. In this sense it could be argued that the Portuguese Left did not play its trump cards last week, but rather that it does not have the trump card in its hand yet.

Sergeant-majors are back in style in the post-coup Portuguese army, Paul Ellman reports. In an order of the day, they have, in effect, been told to tell the soldiers: "Get your hair cut."

The Order said that "recuperation" from last week's rebellion would need a "revision of certain habits" which made some soldiers victims of political forces.

President Costa Gomes spelled out to the troops that the days of "endless political meetings" and "demagogic manipulation" were now over.

In future, he said, troops would be expected to respect authority, conduct themselves in an "upright" manner and behave and dress properly.

Yugoslavs accuse Sofia over Macedonia minority

BY PAUL LENDVAI VIENNA, Dec. 2.

THE LEADING Belgrade daily Borba to-day accused the Bulgarian Government of resorting to intimidation, arrests and re-settlements in the border region of Pirin, Macedonia, on the eve of the countrywide census in order to camouflage the existence of what the Yugoslavs regard as a Macedonian minority in Bulgaria.

The sharply worded attacks of Borba were published only some two weeks after the Bulgarian Foreign Minister's visit to Belgrade, when a communique hinted that the so-called "disputed questions" will be discussed at a projected meeting between Marshal Tito and Bulgarian party chief Todor Zhivkov.

The Yugoslavs demand that Bulgaria should recognise not only the existence of a Macedonian nation in Yugoslavia but also that of a Macedonian minority in Bulgaria.

Borba recalls that the 1956 census reported about 180,000 people in Bulgaria who declared themselves to be Macedonians, while the 1965 census produced only 9,000 Macedonians living in Bulgaria.

This month's census is clearly regarded by the Yugoslavs as a test of Bulgarian intentions. Borba now raises the question why the Bulgarian authorities have launched such an unprecedented propaganda campaign and resorted to arrests and intimidation in the Pirin region if the population was entirely Bulgarian.

The paper warned that the Macedonians and the Yugoslavs had a legitimate right and a moral obligation to know *whether genocide is committed* against the Macedonian minority in Bulgaria or the Bulgarian regime uses suppression and forced assimilation in order to use the forthcoming census to cover up the real situation.

Meanwhile, the Bulgarian Press drew considerable attention to the three-day official visit of Turkish Premier Suleyman Demirel to Sofia, which began yesterday.

This is the third meeting this year between Bulgarian leader Zhivkov and the Turkish Premier. The talks are expected to give a further impetus to bilateral economic co-operation.

As to the Cyprus conflict, the Bulgarians have repeatedly come out in favour of a united and independent Cyprus and against the stationing of foreign troops on the island and there is no reason to suppose that Mr. Zhivkov has changed what the Bulgarians claim to be a "principled position."

● *Belgrade:* The planned European Communist conference will not take place before the Soviet Party Congress next February, an authoritative Yugoslav party source said here.

If the conference were held with its preparations at their present stage, there could be conflict, the source said. Reuter

Danish GDP expected to rise by 5%

By Our Own Correspondent

COPENHAGEN, Dec. 2.

DENMARK'S Gross Domestic Product is expected to increase by 5 per cent. in 1976 after a fall of 3 per cent. in 1975, according to a survey by the Ministry of the Economy.

The main factors will be private consumption, the public sector and housing, while business investment is not expected to show any real increase.

Exports of manufactures, after falling by about 8 per cent. this year in volume terms, should increase by about 2 per cent. next year.

PRIVATE SECTOR CONFERENCE

Call for more self-help and fewer 'safety nets'

BY WILLIAM DULLFORCE COPENHAGEN, Dec. 2.

WESTERN democracies should concentrate more on motivating people to help themselves than on spreading safety nets under everybody, Mr. Jorgen Stecher, managing director of Skarricso, a Danish employee-owned company, told the conference on The Private Sector in To-morrow's Economy here to-day.

Mr. Stecher and his employee-owners have just brought their sawmill back into profit after using their savings and individual bank loans to take over when the original company was liquidated. They eschewed the assistance of union funds.

Mr. Stecher said his company was not practising economic democracy so much as the dissemination of capitalism, but he had found it essential to pass on the maximum information possible to the employees.

Participation and the future function of financial institutions were the main themes on the second day of the Anglo-Nordic conference, organised by the Financial Times in collaboration with Berlingske Tidende Svenska Dagbladet, the Norwegian Journal of Commerce and Shipping, and Helsingin Sanomat.

Mr. Peter Lawson, director of PA Management Consultants, had little enthusiasm for two-tier Board systems such as that described by Mr. Ib Hansen and Mr. Svend Jagd, staff representatives on the Board of the East Asiatic Company. He thought that duties of directors, industrial relations and management participation should be defined by codes of practice, not by legislation, but companies could extend financial participation to all employees.

Companies should invest more in basic business education for all their employees, according to Mr. Michael Brandon, director of Charles Barker City. However, he had found that many companies did not have available the information they needed to talk meaningfully to their employees.

Sir Brandon Rhys Williams, MP, and Mr. E. W. Palamountain, managing director of the M & G Group, both argued that in a country like Britain, with a single Board system, institutional investors should use their influence to get non-executive directors elected.

Sir Brandon advised the conference to read the Green Paper on worker participation and company structure by Mr. Finn Gundelach, the Danish EEC Commissioner, and to press for moderate, practicable reform.

Mr. George Young, director of Kleinwort Benson, believed that boundaries of freedom for financial institutions could be drawn generously if governments remembered that their role was regulatory. The most important practical step forward would be for the EEC to press ahead with a common currency and so "create a wider framework of order."

"A plague on both your houses," was the consumer attitude to both the private and public sectors, according to Dame Elizabeth Ackroyd, former director of the Consumer Council. Private industry was not dishonest, but inefficient at meeting consumers' wishes.

NOTICE OF REDEMPTION

To the Holders of

RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

8¾% Guaranteed Debentures Due December 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 15, 1970 providing for the above Debentures, $1,000,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1975, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF $1,000 EACH

M-6	922	1863	3112	4108	5279	7181	8587	9799	10996	12028	13280	14251	15350	16542	17825	18911
23	930	1899	3125	4155	5319	7216	8641	9810	11006	12088	13291	14280	15363	16547	17835	18957
49	962	1908	3144	4156	5334	7221	8647	9843	11007	12094	13303	14293	15387	16565	17872	18959
51	963	1933	3146	4185	5344	7245	8652	9850	11018	12118	13332	14298	15414	16605	17876	18961
54	989	1935	3156	4190	5419	7342	8656	9856	11030	12176	13336	14300	15419	16628	17899	18977
83	1005	1947	3189	4195	5455	7358	8664	9884	11034	12177	13363	14308	15440	16641	17917	19025
95	1018	1963	3193	4197	5482	7381	8670	9907	11051	12183	13381	14399	15474	16643	17923	19035
104	1031	1972	3218	4240	5516	7448	8683	9951	11054	12191	13414	14416	15488	16660	17937	19055
107	1043	2003	3241	4285	5525	7481	8693	9965	11081	12225	13416	14419	15497	16676	17941	19111
113	1053	2017	3261	4295	5569	7538	8695	9987	11124	12259	13418	14427	15501	16685	17950	19116
121	1054	2023	3265	4298	5675	7544	8730	9990	11129	12265	13419	14445	15543	16689	17983	19135
139	1064	2037	3273	4323	5676	7547	8740	10013	11130	12284	13435	14450	15572	16699	18020	19168
148	1065	2041	3302	4352	5695	7598	8775	10053	11168	12299	13446	14482	15588	16725	18033	19190
201	1069	2063	3308	4358	5707	7636	8787	10071	11196	12333	13467	14510	15623	16737	18050	19200
209	1071	2064	3317	4375	5716	7642	8824	10086	11202	12349	13479	14517	15665	16741	18051	19215
210	1078	2094	3332	4392	5813	7673	8842	10094	11204	12370	13504	14521	15670	16760	18056	19223
270	1079	2121	3338	4397	5821	7729	8850	10102	11228	12382	13552	14575	15691	16774	18103	19257
294	1081	2147	3379	4431	5833	7731	8863	10163	11233	12420	13594	14598	15695	16779	18121	19258
295	1092	2165	3381	4461	5854	7776	8866	10174	11243	12428	13596	14603	15711	16800	18124	19315
313	1104	2203	3395	4479	5882	7779	8877	10179	11297	12447	13611	14605	15729	16869	18162	19322
319	1107	2214	3417	4497	5898	7810	8886	10280	11308	12475	13630	14618	15732	16896	18174	19324
320	1138	2231	3422	4509	5933	7834	8910	10290	11339	12493	13633	14693	15753	17013	18200	19330
333	1157	2269	3431	4532	5991	7843	8950	10303	11356	12497	13665	14698	15756	17024	18219	19334
356	1158	2305	3477	4559	5996	7881	8958	10351	11383	12515	13697	14704	15794	17028	18226	19341
387	1168	2312	3502	4560	6073	7926	8981	10365	11406	12536	13715	14766	15807	17030	18256	19342
393	1177	2314	3514	4574	6089	7934	8984	10368	11473	12542	13725	14785	15830	17166	18262	19358
416	1207	2351	3562	4610	6149	7949	9052	10380	11496	12559	13727	14798	15857	17179	18304	19401
417	1224	2371	3566	4625	6237	7977	9054	10405	11518	12639	13732	14813	15886	17184	18319	19416
433	1255	2383	3581	4629	6264	7986	9082	10415	11540	12648	13741	14832	15894	17199	18342	19435
439	1278	2406	3641	4639	6291	8039	9095	10473	11567	12660	13765	14838	15906	17311	18356	19453
443	1294	2447	3651	4656	6313	8070	9100	10491	11584	12668	13778	14842	15907	17313	18365	19486
446	1305	2456	3661	4679	6380	8082	9125	10503	11585	12723	13805	14860	15910	17339	18381	19501
475	1321	2480	3665	4682	6387	8104	9142	10505	11602	12731	13826	14864	15912	17347	18404	19506
505	1349	2482	3676	4720	6433	8106	9156	10516	11638	12756	13844	14868	15947	17348	18405	19530
508	1358	2498	3714	4734	6441	8147	9245	10551	11646	12770	13857	14876	15959	17352	18425	19538
553	1359	2539	3743	4754	6471	8153	9258	10560	11658	12788	13858	14881	15964	17370	18435	19570
564	1403	2565	3751	4760	6487	8169	9282	10584	11717	12796	13859	14890	16013	17390	18516	19587
568	1419	2583	3773	4786	6569	8180	9328	10591	11721	12821	13886	14927	16017	17418	18531	19596
574	1436	2623	3783	4832	6579	8181	9363	10594	11723	12828	13920	14959	16049	17432	18534	19598
587	1461	2635	3800	4833	6614	8223	9384	10644	11754	12833	13933	14978	16112	17441	18544	19622
603	1465	2653	3803	4854	6621	8267	9397	10691	11780	12888	13950	14997	16120	17482	18601	19660
606	1487	2660	3817	4864	6674	8268	9408	10698	11806	12938	13962	15009	16135	17486	18609	19668
607	1496	2745	3826	4916	6677	8312	9410	10724	11810	12940	13974	15020	16193	17490	18625	19691
620	1508	2794	3857	4944	6773	8333	9448	10738	11811	12981	13979	15060	16198	17536	18626	19722
641	1562	2801	3874	4959	6782	8349	9459	10745	11818	12985	13987	15065	16203	17566	18631	19788
651	1584	2805	3894	4972	6847	8361	9463	10765	11828	12996	13988	15069	16215	17572	18639	19797
686	1593	2816	3918	5033	6850	8391	9504	10788	11837	13009	14010	15082	16286	17588	18653	19799
698	1616	2842	3937	5055	6914	8405	9512	10803	11863	13036	14047	15109	16291	17593	18661	19830
699	1656	2870	3945	5060	6924	8406	9513	10848	11910	13060	14053	15110	16295	17595	18680	19845
747	1659	2874	3981	5061	6929	8418	9530	10851	11911	13087	14094	15112	16296	17712	18735	19846
752	1698	2904	3982	5073	6983	8458	9540	10903	11919	13100	14106	15126	16304	17721	18739	19859
755	1713	2933	3988	5112	6990	8463	9566	10909	11935	13114	14120	15132	16366	17742	18742	19869
802	1734	2971	4029	5140	6995	8472	9604	10933	11943	13162	14134	15153	16373	17743	18817	19902
818	1735	2973	4030	5141	7032	8498	9635	10935	11946	13165	14142	15162	16377	17745	18842	19903
836	1742	3016	4065	5167	7038	8516	9638	10936	11962	13192	14144	15191	16389	17773	18849	19954
843	1774	3027	4076	5175	7079	8539	9685	10946	11992	13196	14197	15233	16409	17796	18872	19984
871	1788	3028	4087	5176	7116	8555	9761	10975	11999	13228	14200	15262	16500	17808	18884	
878	1809	3043	4093	5200	7125	8571	9781	10985	12026	13249	14225	15268	16507	17811	18885	
900	1831	3083	4098	5245	7143	8585	9789	10995	12027	13253	14231	15330	16529	17812	18902	

On December 15, 1975, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the **corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015,** or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Banca Morgan Vonwiller S.p.A. in Milan and Rome; Bank Mees & Hope N.V. in Amsterdam; and Kredietbank S.A. Luxembourgeoise in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due December 15, 1975 should be detached and collected in the usual manner.

On and after December 15, 1975 interest shall cease to accrue on the Debentures herein designated for redemption.

RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

Dated: November 7, 1975

NOTICE

The following Debenture previously called for redemption has not as yet been presented for payment: M-15631

OVERSEAS NEWS

Ennals to meet both wings of ANC

By Bridget Bloom

CONSULTATIONS between the British Government and the African states most concerned with Rhodesia will be taken a step further this week-end when Mr. David Ennals, Minister of State at the Foreign Office, arrives in Lusaka to meet President Kenneth Kaunda of Zambia and the leaders of the two wings of the African National Council (ANC).

Mr. Ennals' last visit to southern Africa was in June, before the split in the ANC was formalised. Clearly among his priorities will be to hear at first hand from Mr. Joshua Nkomo, leader of the Rhodesia-based ANC, of the progress of his "talks about talks" with Mr. Ian Smith, the Rhodesian Premier.

Mr. Nkomo, who signed a declaration of intent to negotiate with Mr. Smith on Monday, is due to arrive in Lusaka to-day. Mr. Ennals arrives in Lusaka to-morrow morning. He is expected to meet Mr. Nkomo, and also the leaders of the exiled wing of the ANC, Bishop Muzorewa and the Rev. Sithole, currently living in Tanzania.

While the British Government would undoubtedly be delighted if Mr. Nkomo, who is expected to start substantive constitutional talks with the Rhodesian Government within the next month, managed to pull off a settlement involving a speedy transfer to majority rule, Mr. Ennals will arrive in Lusaka with few illusions as to the difficulty of such a settlement.

As far as can be judged there have been no substantive talks between Mr. Nkomo and Mr. Smith so far, and Britain is as aware as the African states concerned that there is a very wide gulf between Mr. Nkomo's demands for majority rule "now" and Mr. Smith's attitude on the continuance of "responsible" (or White) rule in Rhodesia.

Tony Hawkins adds from Salisbury: Mr. Joshua Nkomo, leader of the Rhodesian-based ANC, flies to Lusaka to-morrow with two advisers to meet Mr. Ennals. Mr. Nkomo will be accompanied by his publicity secretary, Mr Willie Musarurwa, and his external affairs secretary, Mr. Madzimbamuto. The delegation is expected to have a brief "courtesy" meeting with President Kaunda as well as seeing the British Minister. Mr. Musarurwa said that the Nkomo team had no reason to see Bishop Muzorewa (who heads the ANC's externally based wing), although the bishop will be in Lusaka to see Mr. Ennals.

Thousands of refugees flee to MPLA-held territory

BY JANE BERGEROL

The following report—delayed because of extreme communications difficulties—was dispatched on Sunday from Porto Amboim, the first township in the southern Angola war region to have been secured by the Luanda-based Popular Movement for the Liberation of Angola:

THOUSANDS of refugees from southern Angola are crossing into the MPLA-held Porto Amboim region, fleeing the mercenary-led forces of the National Front for the Liberation of Angola and the National Union for the Total Independence of Angola (FNLA-Unita).

Significantly, this front has changed considerably over the past fortnight as the FNLA/Unita force strings itself out over a long defensive line and digs itself in the better to meet the counter-attacking MPLA. Fighting is expected to intensify along the Queue river, which roughly marks the position of the FNLA/Unita and South African mercenary forces, with the MPLA along the northern bank.

The MPLA forces' advance began last week with a limited but important victory at Ebo, when eight opposing armoured cars were reported captured and over 80 troops killed, allegedly including many South Africans whose documents are now in MPLA possession.

Meanwhile, an MPLA victory on the Eastern front came on Saturday with the announcement of the capture of Cangumbe, formerly the major Unita military base. MPLA forces striking westwards from their eastern headquarters at Luso took the base, but so far no details of prisoners or captured equipment have been announced.

Refugees here are claiming that the FNLA/Unita forces are using violence against southern tribes identified as MPLA supporters. In Mocamedes, according to two Mocubal refugees with whom I spoke, most townspeople have taken to the bush and are trying to make their way to MPLA-held territory.

These refugees also claim that some workers were killed by machine-gun fire on their way home from work, after the capture of the southern port. They reported that some Mocubal MPLA guerillas are regrouping and planning to make their way back to the front.

The coastal towns of Benguela, Lobito and Novo Redondo were also reported emptying as their inhabitants took to the bush. They have begun arriving in some numbers inside MPLA territory. Two women I spoke to reported FNLA/Unita forces already inside Novo Redondo and this was confirmed by other Novo Redondo refugees, though in what numbers the troops are present is not clear.

Agencies add: In Johannesburg, Admiral H. H. Bierman, South African Chief of Defence Forces, said that the MPLA is the best armed group in Angola and could win the war there. He said that South African involvement in Angola had been "vastly exaggerated overseas."

In Moscow, the newspaper Trud claimed that about 12,000 White soldiers—the majority of them South African—were engaged in fighting the MPLA. A detachment of mercenaries, the newspaper said, had been formed in South Africa and were crossing through Namibia into southern Angola.

In Kinshasha, the Zaire news agency AZAP reported an estimate by Ugandan President Idi Amin that 30,000 people had been killed so far in the Angolan conflict.

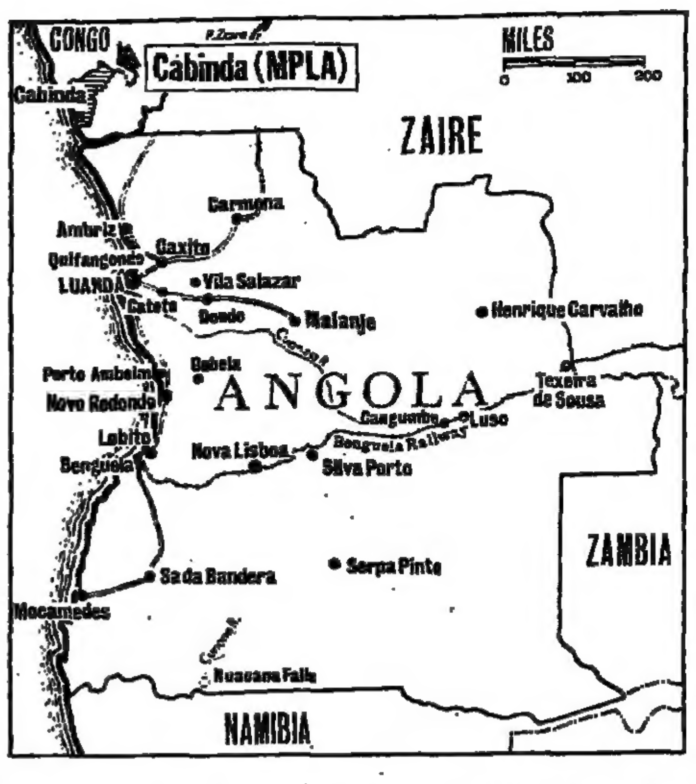
ANGOLAN DIAMONDS

End of a state within a state

BY JANE BERGEROL, IN ANGOLA

THE HIPPOS rose and sank, snorting, in the diverted waters of a muddy river 5 miles from the Zaire border. Alongside lay the churned gravels of the original river bed, an old diamond mine worked out by Diamang the Angola diamond mining company which has moved on to richer deposits further south.

There is nobody to be seen in this part of the bush in Lunda Province. It is out of bounds to guard against diamond smuggling, and used to be patrolled by Diamang's private army, with helicopters, armoured cars, bazookas and machine guns.



Lunda, in eastern Angola, is inhabited by about 400,000 people in its grassy uplands. It is larger than Portugal, and crossed by rising rivers which flow down into the Zaire diamond and copper belt. The diamonds found in the basement rock in Angola are richer than those washed across into Zaire and have kept Diamang busy mining since 1921. Roughly 70 per cent. are fine gemstones found not only in river beds but also in kimberlite funnels and even in cauldron formations in the rock, salt eroded potholes filled with high concentrate diamonds.

Diamang, like Gulf Oil in Cabinda, like Lunda, also MPLA-controlled territory, has been paying its royalties to MPLA, the Marxist Popular Movement for the Liberation of Angola, for the past few months. Exports of diamonds and oil from the two companies make up 86 per cent. of Angola's foreign exchange earnings. Diamang's contribution is 26 per cent. of national exports or around £32m. a year.

It is mining highly concentrated deposits now, centred around the washing and selection plants. At Andrada we are shown a portion of the day's production—gleaming, uncut gems, quickly locked away in the huge steel safe where strongboxes are stacked awaiting the bimonthly special company flight to Lisbon. Production figures are hard to come by. It seems that production has fallen by 40-50 per cent. since the majority of Portuguese technicians fled to Lisbon. But judging by the number of gemstones coddled in brown felt at the selector's elbow, and the stack of strongboxes in the safe, a great deal is still available. The Cafunfe and Lucapa high concentrate mines, scattered further afield from Andrada in the company's 50,000 square kilometres of concession, are doing quite nicely.

More is at stake in Lunda for MPLA than mere revenues, however important they are to the new Government set up at Luanda. MPLA needs a stable Lunda. Strategically placed along the Zaire border it is a prime target for infiltration and conceivably for an attack designed to link up with the FNLA-Unita stronghold around Huambo.

Diamang needs to go on mining—with MPLA forces taking on security tasks of the defunct private company army. It is a curious modus vivendi, particularly given the high proportion of capital held by Belgian, South African, American, and British interests, which at first sight would appear more natural allies of the rival Government in Huambo.

When we meet the local MPLA Political Committee our dapper Portuguese company interpreter offers to translate. We politely refuse — and alone with the Angolans, mostly mineworkers and Diamang clerical staff the contradictions and problems of the modus vivendi spark an animated debate on how things are going to have to change. Some things already have. The company security system, which involved the political police (DGS) as well as the company army, has now been abolished. MPLA forces police the area—though they are not yet inside the holy of holies watching Andrada's five gem selectors at work.

Pay improved in a single post-April 25, 1974, revolutionary leap: a worker I spoke to, with the company for 15 years and enrolled in an engineering course to increase his skills, was being paid around £32 a month before the military coup. Now he is getting about £80. The company claims that average wages now are about £60 a month for semi-skilled workers and about £100 a month for the skilled.

The mines have the single largest concentration of workers in Angola—about 20,000 people, which partially explains MPLA's success in mobilising the Lunda population. The other part of the story is the formerly iron rule of Diamang. Company housing, in neat red-brickwork, contrasts with the wooden, cement, and palm shacks of those not employed by the company, or those not sufficiently high up to be given company housing. Schools, hospitals, public transport, water and electricity are all supplied by the company at cheap rates. Under a 1921 contract with Portugal all consumer durables are imported into the company enclave duty free.

When the "State within a State" comes to an end—as both parties agree it must—there will be obvious difficulties persuading the workers and their estimated 150,000 dependents to go back to paying normal prices for services and goods. The change will create difficult political problems, and MPLA will have to prepare the political ground carefully. In the meantime, both sides are reasonably happy: there has been no fighting in Lunda for weeks.

The company is running its own show, though increasingly along MPLA lines, and it is negotiating with Lunda for a new contract which will give majority capital control to the Angolan State in line with the State share in profits which already is 54.3 per cent. of pre-tax earnings.

Diamang is transferring company headquarters from Lisbon to Luanda. The problem of the associate diamond cutting and polishing company, Dialap, also in Lisbon and controlled by De Beers' central selling organisation, will be a thornier one, and so far at least no firm proposals have apparently been made by either side.

The MPLA is anxious to prove that it can get along with foreign investors, and is clear in its own mind about the importance of things running smoothly. In addition it must give the people a stable life as far as possible. There is an MPLA slogan to the effect that "production is resistance to the enemy." It was no accident that President Agostinho Neto singled out the theme of welcoming foreign investment "from all countries" in his independence speech, "provided it is in the interests of the Angolan people." These interests, at present, are on the side of stability.

U.S. invites Israeli Minister to talks

BY DAVID BELL — WASHINGTON, Dec. 2.

THE U.S. moved swiftly to-day to allay Israeli concern about a possible change in the American attitude towards the Palestinians by inviting Mr. Yigal Allon, the Israeli Foreign Minister, to Washington. His visit will be timed to be in advance of next month's United Nations debate on the Middle East which will include Palestinian speakers. It follows Israeli concern at the tacit American acceptance of Sunday's Security Council resolution which linked the renewal of the mandate of the UN peace-keeping force to this forthcoming fullscale debate.

At the same time, the U.S. to-day released its reply to an earlier Soviet Note on the reconvening of the Geneva Peace Conference and proposed a preliminary conference which would fix the agenda and procedures for a full conference. It would also discuss possible participation by the Palestinians but only, the Note stressed, if all the parties agreed to it and then only on the basis of the key UN resolutions 242 and 338. The United States also said it would be prepared to take part in bilateral talks with the Soviet Union if that would be helpful.

While this may go some way to soothing immediate Israeli concern about the week-end vote, it is likely to do little to ease underlying Israeli apprehension that the American attitude towards the Palestinian problem is indeed beginning to change.

State Department sources deny that there is any change in the basic American position, but a series of administration officials have gone out of their way in the past month to stress that the Palestinians have a "legitimate role" to play and to urge them to be both more specific and more realistic about what they want.

Privately, officials concede that U.S. policy is "evolving" partly because America cannot remain indifferent to the growing worldwide recognition of the Palestinians and partly because the U.S. is hoping gradually to draw the Palestine Liberation Organisation away from Soviet influence. At the same time the Administration sees the Palestinian problem as one on which some progress may conceivably be made in the search for a peaceful solution of the Middle East question.

Rabin says UN debate harms peace prospects

BY L. DANIEL — JERUSALEM, Dec. 2.

THE U.N. Security Council's resolution calling for a debate on the Middle East on January 12, a debate to which the Palestine Liberation Organisation is apparently to be invited, has impaired and not enhanced the chances of peace in the region. No progress can be made towards a settlement if the course adopted on Sunday is pursued, Israeli Premier Yitzhak Rabin told the special session of the Knessett (Parliament) here this afternoon.

Speaking on the day of a big Israeli raid on Palestinian camps in the Lebanon he said the resolution only served the interest of the Soviet Union, Syria and of the Palestine terrorist organisations. He expressed his regret that the U.S. Government "did not diagnose the character of this policy, which goes beyond the scope of Israel's interests alone and affects the wider context. This partnership of extreme factors cannot contribute to progress towards peace and is incompatible, not only with the needs of Israel but with the declared policy of the U.S.

"Syria, the Soviet Union and the PLO intend to block and frustrate every trend towards a positive development in our area," he said. Instead of leading to negotiations between Israel and her neighbours they aim to inflame the Palestinian question as if it were the root and essence of the conflict," Rabin said.

The real problem, the Premier continued, was the non-acceptance by the Arab states of the very existence of the State of Israel. Were it not for this non-acceptance a solution would have been found now to the Arab-Israel conflict, including the Palestinian question.

"Israel has a policy of peace which includes the solution for the self identity of the Palestinian Arabs. Possible, just and realistic solutions There is no essential contradiction between the existence of Israel in the defence of her borders, and the neighbouring independent Palestinian-Jordanian State."

HOME NEWS

Slater Walker scrutiny makes rapid progress

BY MARGARET REID

THE INTENSIVE scrutiny of Slater Walker Securities being conducted by accountants from Peat Marwick Mitchell and Price Waterhouse under the new Board headed by Mr. Jimmy Goldsmith is believed to be proceeding more rapidly than was at first expected.

Consequently, the report, likely to be crucial to the future shape and course of the group—from which Mr. Jim Slater resigned as chairman and a director on October 24—may be finished fairly early in the New Year.

The scrutiny is concentrating particularly on analysis of the group's investment and loan portfolio, the latter including the controversial $29m. (£15m.) loan from SWS to Haw Par Brothers International, the Singapore concern formerly controlled by SWS. There have been strong signs that the authorities in Singapore feel the size of this loan should be reduced.

The two senior detectives from Hong Kong who arrived at the week-end to continue their inquiries into Haw Par and other companies formerly associated with SWS, are likely to be in Britain for at least a fortnight.

The officers, Senior Superintendent Peter Wassell and Chief Inspector Paul Bailey of the Commercial Crime Office of the Hong Kong police, are in London to interview former directors of Slater Walker Securities and Haw Par in connection with allegations concerning certain share dealings. Yesterday they met senior detectives of the City of London police.

Building slump 'in two years'

BY MICHAEL CASSELL

A HOUSE building recession within two years, which could make the 1974 slump "look like a boom," was forecast yesterday by Mr. Ian Deslandes, director of the House-Builders Federation.

Mr. Deslandes attacked both the Community Land Act and the Government's proposals for a development land tax, which have yet to be put before Parliament.

He said that together, the two measures would combine to create a serious land famine by the end of 1977, at a time when demand for housing could again be at a peak.

"We face the very real prospect of a significant increase in the demand for new homes but a severe shortage of development land, which would have a disastrous effect on prices. Land cannot be made available overnight to meet demand and a major crisis in the housing market could easily follow."

Mr. Deslandes warned that if development land tax was set at the widely expected 80 per cent., eventually rising to 100 per cent., no one would freely release land for development. At the same time, local authorities would not have the resources to acquire significant land banks, a process which would in any case be subject to lengthy delays.

His criticisms were echoed by Mr. Bob Willan, president of the federation, who said that no one would anticipate selling land for development if he knew that he would retain only 20 per cent. of the resulting transaction.

He described the tax proposals as "a penal measure close on confiscation" and queried the basic motive behind them. "Is it the intention for the community to benefit or is the total destruction of thrift and wealth behind these measures?" he added.

The federation's annual report, released yesterday, says that at least some of the impact of the Government's land legislation had been watered down as a result of hard lobbying.

Limited exemptions for land banks from local authority purchase and an increase in the size of plots which can be sold before the owner is taxed were examples of changes in the proposals that would make the scheme "a little less damaging." Their effects would, however, be fairly marginal, the federation says.

Mitsubishi £½m. a year for P.O. message service

BY CHRISTOPHER LORENZ

ONE OF Japan's largest trading companies, Mitsubishi, is to pay the British Post Office nearly £500,000 a year for the provision of an international telegraph message switching service in London.

The PO's International Leased Telegraph Message Switching Service is one of the few cases where it has to compete for business; in the case of the Mitsubishi order, with organisations in the U.S. and West Germany.

The new centre acts as a "clearing house" for about 19,000 messages a day between Mitsubishi offices throughout the world. Previously, London and other European traffic was switched in New York.

The P.O. began providing private leased international message switching services in 1971. Since then, over 30 customers have based their international switching services in Britain, using P.O. facilities.

Court told of smugglers bringing in Krugerrands

FOREIGN COURIERS were used last April to smuggle nearly £200,000 worth of Krugerrands into Britain, in spite of the Budget ban on their import, an Old Bailey court trial was told yesterday.

There were alleged to have been three separate incidents when large quantities of these coins were brought from either Belgium or Switzerland with the aid of a hidden compartment in a motor car.

This occurred less than three weeks after the Chancellor of the Exchequer had announced in his Budget speech new regulations on the import of Krugerrands designed to strengthen the economy.

Baronsons Metals, of Curzon Street, Mayfair, London, a commodity and gold dealing firm, and one of its directors, Mr. Martin David Davies, 35, of Bridgehall, Burgess Hill, Sussex, denied being concerned in a conspiracy to break regulations on the import of Krugerrands between April 15 and May 5 this year.

Mr. John Newey QC, prosecuting, said Customs and Excise investigators visited Baronsons' offices because they became suspicious after stopping a young Swiss visitor at Heathrow Airport with 350 Krugerrands in his suitcase.

Both Mr. Davies and his fellow-director, Mr. John Palmer, an American who had now left London, categorically denied that they had ben involved in any illicit importation of such coins.

Mr. Davies told them he had been in touch with Swiss people over a scheme to diversify into diamonds, and that he only dealt in Krugerrands with British residents. Later, 1,000 Krugerrands, worth about £80,000, were found in the boot of his Rolls-Royce outside the offices.

Before the trial of Mr. Davies began, Judge Gwyn Morris dealt with the cases of three other defendants who admitted their own roles in illicit Krugerrand transactions.

Psachja David Sudwartz, 57, a diamond merchant, of Greyhound Hill, Hendon, was fined £1,000 and ordered to pay £500 costs after admitting that he was concerned in the illegal importation of 1,000 Krugerrands from Belgium on April 25.

Sentences were deferred on two Swiss nationals—Christian Schwegler, 20, and Daniel Tobias Brunner, 26—who admitted being involved in efforts to bring another 1,350 Krugerrands worth about £100,000 into Britain between April 27 and May 3.

'No benefits' for 250,000 jobless, says report

MORE THAN 250,000 unemployed get no State benefits, and another 500,000 have to pass a means test to get supplementary benefit, the Labour Research Department, the independent trade union research organisation, says to-day.

Examining unemployment figures in its monthly journal, Labour Research, the LRD calculates that unemployment my have passed the 1.5m. mark—and the number who have been out of work for a long time is swelling.

Criticising claims made at the Conservative Party Conference in October that "our social security system is abused by some who do not need help," the LRD says it is astonishing how few unemployed do get benefit.

"One way and another, it does not really sound as though people can get benefit at the drop of a hat, even though the Tory Party Conference would like to think so."

Unlike Sir Keith Joseph's Centre for Policy Studies, which claims that the official unemployment figures overstate the position, the Labour Research Department sees the situation as understated.

FFI makes first-half recovery

By Michael Blanden

FINANCE for Industry, the City's vehicle for providing medium-term funds for industry, has made a sharp recovery after being hit by special provisions last year.

In the first half of the current year, ended in September, FFI reports a pre-tax profit of £3.22m. This compares with a loss of £1.34m. in the same period of 1974-75 and a loss of £17.25m. for the whole of last year.

Profits were hit last year by heavy provisions totalling £23.6m. on account of the group's general loans and a number of specific situations. In the current first half, however, provisions total only £2.61m., compared with £5.25m. in last year's first half. It is understood that this time it has not been felt necessary to make any significant provisions against specific loans.

The group reports a substantial increase in its profits before provisions and interest payments from £14.18m. in the first six months of last year to £23.55m. in the latest period. At the same time, the industrial subsidiaries show a gain from £677,000 to £1.49m., and there has been a sharp rise in the share of associated companies' profits from £278,000 to £1.1m.

After tax and minority interests, FFI shows a net profit of £2.56m. against a loss of £924,000 in the first half of the previous year and a £12.06m. net loss in the whole year.

McWhirter launches freedom group

BY PETER FOSTER

MR. NORRIS McWHIRTER, in his first public appearance since the murder of his twin brother Ross by gunmen last Thursday, yesterday called upon individuals to fight for their personal freedom rather than bow to intimidation.

The picture shows him addressing a meeting in London to launch the new National Association for Freedom. With him are Mr. Michael Ivens (left), director of Aims for Freedom and Viscount de L'Isle, chairman of the new association.

Terry Kirk

Mr. McWhirter told journalists that one newspaper was not represented among them, the paper Majority, of which his brother had been editor.

He told the meeting that his brother had helped draw up the "Constitutional Notes on Rights and Liberties" which the new association was making the basis of its platform.

Most important of these rights and liberties, he claimed, was the right to live under the Queen's peace. He said: "Its preservation is surely the prime responsibility of Government, and dereliction of that duty is the ultimate indictment. Neglect is the final failure."

Apologising for not being available since his brother's death, Mr. McWhirter pointed out this was not because of reticence or shyness or to inability to overcome emotion.

"It is because my freedom of movement is not entirely of my own choice," he said.

Before being escorted from the meeting by bodyguards, he said he hoped the platform which he and his brother had helped put up would "bring hope to people" and would encourage so many of them to stand up "that they cannot be counted."

Earlier, Viscount De L'Isle, the association's chairman emphasised that as well as a charter of rights and liberties it would lobby for a Supreme Court. The new organisation would be "non-party and concerned with all major freedoms" and one of its principal concerns would be that of "active citizenship."

The association, he said, would initiate legal action to preserve its ideas of freedom, would carry out research, would publish a weekly newspaper and would present annual awards to Press and TV.

Alexander Solzhenytsyn, the Nobel prizewinning Russian novelist, would be invited to address the first Pageant of Freedom next July 1.

● Photofit pictures of the two gunmen who assassinated Mr. Ross McWhirter were issued yesterday by Scotland Yard as the inquest into his death opened at Hornsey in North London. The Ross McWhirter Foundation, launched on Friday, has reached more than £20,000.

ICI plan for Teesside going ahead

Financial Times Reporter

ICI's petrochemicals division on Teesside is to go ahead with plans to double business, but the original ten-year timescale is likely to be extended to 12 years.

Dr. Arthur Taylor, the division chairman, has told employees that although the overall sales volume dropped by 17 per cent. from last year, recently completed division forecasts anticipated a return to the 1974 level during next year.

Writing in the company's internal plant newspaper, Dr. Taylor says the investment programme would fluctuate, but the division would continue to meet its objectives to double the business, perhaps now, in view of the recession, in 12 years rather than the ten as planned.

He suggests three ways to make the best of the very favourable conditions facing the division and enable it to keep up with competition.

First it would have to develop a wage structure related to competitive productivity. The raw materials and salary bill rose by £65m. on last year and would have to be counteracted by increased efficiency.

Second, it would have to have a currency exchange situation moving in its favour as most raw materials were bought using foreign currency.

Third, it would have to rely on indigenous sources, such as North SEa Oil, for raw materials, thus eliminating a huge drain in foreign currency.

"Midland Bank helps us provide a service rather than just products"

-John Robinson, Managing Director of Trutex Limited at Grindleton, Clitheroe

Trutex Limited has its headquarters beside a quiet salmon river on a stretch of Lancashire moorland.

"In one form or another, and on the same site," says John Robinson, "this company has been involved in textiles for 109 years.

"At the beginning, we manufactured textiles. But now we have twenty factories, a work force of around 2,000 people, and make children's school and leisure clothes. In fact, we are a leading supplier through both small retailers and large groups.

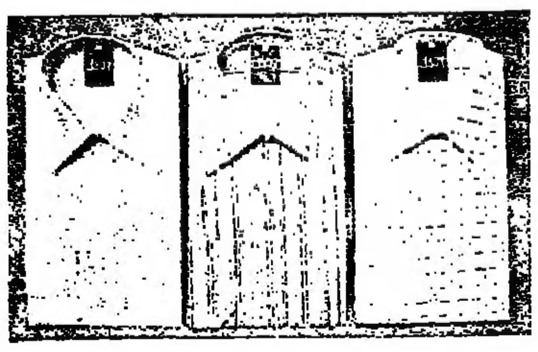
"Our growth reflects two objectives–to rationalise continually in the interests of efficiency, and to provide an important service rather than a mere range of products.

"But it is fair to add that we would have found it difficult to achieve either objective without the help of Midland Bank."

Changing with the times

"We've banked with the Midland since 1915," says John Robinson, "and they have helped us in many ways to adapt ourselves to new conditions.

"In recent years we have specialised in children's school wear, but now we have also developed a range of colourful leisure wear for young people. To do so we have had to expand considerably, and Midland Bank has helped us in our acquisitions and building programmes. Forward Trust, another Midland Bank Group company, has also been of assistance with loans for the purchase of new machinery and equipment."



Continued development

"One essential for continuing development," says John Robinson, "is our good working relationship with our staff.

"All our production units are small and friendly, and new arrivals in the company often ask us why our employees feel they are letting themselves down if they don't give 101 per cent effort.

"Another essential is our excellent working relationship with Midland Bank. Our confidence is based on the many years we have done business together, and on the high standard and range of services provided by Midland Bank Group."

Your local Midland branch can provide you with further details on the range of services available from Midland Bank Group.

Midland Bank Group

Principal trading companies: Midland Bank Limited; Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited; Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited; Midland Bank Trust Company Limited; Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited; Midland Bank Insurance Services Limited; The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited; Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited; Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited; Guyerzeller Zurmont Bank AG.

HOME NEWS

Lord Ryder is appointed member of NEDC

BY ADRIAN HAMILTON

LORD RYDER, chairman of the newly-formed National Enterprise Board, has been appointed a member of the National Economic Development Council.

The appointment, announced yesterday, has clearly been made to enable Lord Ryder to take an early active part in implementation of the Government's new industrial strategy—a strategy in which the NEB as the instrument of state equity holdings will clearly have a crucial position.

One of his first duties will be to take part in to-day's meeting of the council to consider progress on strategy and to discuss the Department of Trade's suggestions for pointing effort more firmly on the lines of export-encouragement and import-replacement.

A central point of the meeting will be to test just how committed the Government as well as unions and employers are to a strategy which has so far been expressed only in the broadest terms of intent, and has yet to be formally approved by the CBI or TUC.

A joint paper on progress prepared for the meeting by the Department of Industry and the Treasury is believed to add little detail to the generalisations already presented at last month's Chequers meeting on the question.

It does, however, seem to show just how far the Government has now moved from its original intention of selecting "winners" and "losers" among industries.

Confirming that the Government is now embarked on detailed studies of prospects in 30 basic industrial sectors, the paper is reported to emphasise that these sectors have been chosen not so much on their prospects as on the basis of the size of their contribution to the British economy.

They are then being grouped into sectors with obvious growth potential, sectors where growth potential is less obvious, but where Government assistance could help; and sectors which are vital to the continuance and success of the British economy.

This would seem to take in virtually every major industry and, as the paper emphasises, does not even mean that those left out are any less important or without potential growth.

Danger

The danger that this broad presentation will lead to a dilution of Government effort on the industrial front was brought out in a pre-meeting speech by Sir Ronald Mackintosh, director-general of the NEDC, yesterday.

Stressing that the country only had a short period, or "window," of a few months in which to take constructive action, he declared that "what matters now is to keep up the momentum of the process begun at Chequers, however inadequate you may think it is."

"We have a choice. We can take advantage of the 'window' to agree on the measures needed to stimulate investment in 1976, prevent bottlenecks arising in 1977 and lay the foundations for renewed growth in the years that follow

"Or we can fritter it away in doctrinal argument and pre-occupation with short-term issues."

Although expressing personal confidence that Chequers did provide a starting point on which to build, he pleaded for a "greater sense of urgency."

"If we do not take action in the next few months, especially in the field of investment and skilled labour, we are bound to run into severe difficulties in the next up-turn.

The test of the questions posed by Sir Ronald will not really be seen until the January 14 meeting of the NEDC to consider the sectoral studies presented by the Treasury and Industry Department.

Besides considering general progress, to-day's meeting will also discuss three papers put forward by the Department of Trade setting out the need both for an export strategy and a more detailed attempt to get industry and Government departments to substitute British for foreign purchases wherever possible.

HOW EFFECTS WILL BE FELT . . . FROM POWER STATION TO SUPERMARKETS

Industry counts cost of dearer fuel

BY OUR INDUSTRIAL CORRESPONDENT

THE HIGHER fuel prices, which have been announced this week, will inevitably have consequences throughout all sectors of industry.

In electricity, generating costs will come under further pressure. The Central Electricity Generating Board has been pursuing a policy this year of switching away fro mheavy fuel oil for power stations in favour of coal.

Electricity consumption is running at 8 per cent. below the levels of a year ago. The CEGB expects to burn 67m. tons of coal this year compared with 65m. tons last year. Oil consumption is being slashed during the same period from 21m. tons to 14m. tons.

But the CEGB cannot turn off its oil supplies at will. It is tied to six major oil companies and 20 smaller ones for its supplies under long-term contracts.

Those have automatic escalation clauses which have been triggered by the upward movement of oil prices.

Although the CEGB has some manoeuvring space still available to cut back further on oil supplies for burning under power station boilers, it has little latitude to alter its purchases of the types of oils. For instance, the power stations use considerable quantities of oil distillates for "flashing-up" boilers.

Competitive

In general terms, coal now has a competitive edge over oil for power station use. The CEGB strategy over the winter months is likely to be to cut back its oil burn as far as is technically and contractually possible in favour of coal.

The National Coal Board is looking forward to a winter of record production and is confident of being able to supply whatever coal the electricity industry needs.

The NCB expects to be a net gainer from the oil price rises. Some switching from oil to coal by industrial users is to be expected and the NCB has the resources to handle the extra business.

The NCB is not itself affected very much by the price increases. The Board's oil consumption is small in relation to its volume of business.

The higher fuel charges will put another 3 per cent. a year on the costs of haulage operators, according to the Road Haulage Association.

The association, which represents some 18,000 hauliers, contrasts this latest increase with the overall 10 per cent. rise in costs in the first nine months of this year as a result of higher insurance, road licence, and other charges.

In addition to the higher fuel prices, hauliers will also have to absorb increased wage costs which could be in the region of 4 or 5 per cent., the association pointed out.

The Freight Transport Association calculates that higher fuel charges will put £82.5m. on total distribution costs.

Though most of this burden is likely to be passed onto consumers, the percentage increase will be low as total transport costs are reckoned on average to form perhaps only 8 per cent. of the sale price.

The FTA claims in its membership 14,500 companies which are "own-account" operators with some 450,000 vehicles.

The National Bus Company, which has 53 subsidiary companies throughout England and Wales, was reluctant to confirm the exact impact higher fuel prices would have on operations. Three suppliers had notified that increases of 6½p a gallon on derv would be enforced but the principal supplier had not yet announced details.

NBC uses more than 72m. gallons a year, which would mean an increase in operating costs of around £4.5m. However, the Government does allow a rebate on the taxe element of fuel costs of public bus undertakings.

The Post Office estimated yesterday that higher fuel charges would mean additional spending of around £1m. a year, but this would be on expenditure which in the last financial year totalled more than £2.4bn.

In the newsprint and paper trades the comment from Reed Paper and Board U.K. was that the increase in fuel prices would add £3 a tonne to its paper production costs, and more than £2.5m. on a full year's production. Its bill for fuel oil would increase by 2.8m. a year.

As with previous oil prices rises, companies reliant on oil for the generation of power at paper mills will be at a cost disadvantage until coal reaches a comparative price.

Although the fuel price rise is an allowable cost in applications to the Price Commission, it is doubtful whether the U.K. market will bear price rises in its present depressed state.

The increase will add an extra £25m. in a full year to Britain's food producing costs on farms and market gardens, the National Farmers' Union estimated.

Mr. Richard Butler, NFU deputy president, said some £6m. of this sum would be added to the horticultural industry's costs, particularly the glasshouse sector, and about £1.5m. to the poultry and egg production sector.

"The public must realise that the increased cost of food production must be met by either the consumer or the taxpayer, otherwise producers will simply cut down production to a level they consider economic.

More oil groups put up prices

By Ray Dafter

OIL COMPANIES yesterday began falling in line with market leaders Shell and BP by increasing prices by about 3.5p per gallon on petrol and around 6.5p on home heating oil.

This became clear when more of them disclosed details of their new pricing structures. In the current depressed state of the market, none have ventured too far out of line with BP and Shell over individual prices.

As a result, some companies have decided to hold prices down below the level accepted by the Price Commission. This is the case with Esso, itself a major influence on the market. The company received approval for an across-the-board increase of 4.8p per gallon, around 0.3p per gallon more than Shell and BP.

Esso wanted to implement slightly higher petrol price increases than those announced by the other two majors. Instead it has put up the price of two-, three- and four-star petrol by 2.85p wholesale, which should work out at about 3.5p retail. On the other hand, it has increased five-star petrol by 3p wholesale, which could mean a 4p increase at the pump.

Heating

Mobil has also put up five-star by 3p wholesale although Petrofina is applying an across-the-board rise of 2.75p on all grades of Fina petrol.

The three companies have followed the Shell/BP 5.5p increase on motor diesel (Derv) although Esso has trimmed its increase to 5p.

Similarly Esso is also slightly lower than the rest with its 6p increase on domestic heating oil (kerosene). The price of fuel oils, marketed by Esso, Mobil and Petrofina, increase by 3.9p to 4p for light products, 3p to 3.83p for medium and 3p to 3.5p for heavy products.

OECD predicts slow economic recovery

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

NEXT YEAR'S economic recovery is likely to be a slow one for the nations of the industrialised world, with inflation remaining "much higher than any of us want to see," Mr. John Fay, head of the economics and statistics department of the Organisation for Economic Co-operation and Development, said yesterday.

Mr. Fay made it clear to the annual conference of the Business Economists Group in London, that although the economic recovery could falter, he did not believe Governments would stand by without taking further reflationary action.

"The nature of the upturn now beginning makes me cautious about predicting a very sharp rate of recovery, and a bit suspicious as to its sustainability on the basis of existing policies," Mr. Fay said.

Confidence

The recovery envisaged was largely the result of a cessation of inventory reduction and a "one time" fiscal boost. But there remained a big question of confidence regarding both business investment and household spending patterns. Concern about employment trends had raised the savings ratio, and while predicting that it would not rise any further, the OECD secretariat was not forecasting any important falls for most countries.

With the final forecasts of the OECD secretariat—representing 24 member nations—due to be unveiled later this month, Mr. Fay said the differences between the secretariat and member governments were less marked than had been claimed.

"I think several governments are marginally more optimistic than we are—but there is not a great deal in it either way."

An OECD forecast of growth for the area as a whole of between 3 and 5 per cent., between 1975 and 1976 meant growth "remaining rather below the potential growth rate through most if not all of 1976."

"We would not see world trade recovering fast in 1976. In 1975 the volume of OECD exports will probably have declined by 5½ per cent. We would not see this loss fully restored in 1976," he said.

Exports to OPEC countries would grow "somewhat less vertiginously" and non-oil developing countries would cut their imports either because of domestic recession or financing problems. Moreover, although the U.S. would be expanding relatively fast, Europe would be expanding slowly.

But any fears that the recovery would peter out and lead to a "double-bottomed recession" were based on "totally unreal" assumptions about no change in governments' policies—notably the U.S. and Germany. "There are at least two general elections in 1976," Mr. Fay pointed out.

Mr. Fay said the OECD inflation forecasts were grounds for relief but not elation. Prices in the area as a whole were forecast to rise by about 8 per cent. on average between 1975 and 1976, as against 10 per cent. between 1974 and 1975, with the annual rate accelerating to 9 per cent. in second half of 1976.

The U.K. and Italy would move down to nearer the average OECD rate. But this would still leave France and Italy "inflating more than twice as fast as Germany in 1976." As for the U.K., "despite a substantial improvement as the year wears on, we would see a somewhat greater differential in relation to the German benchmark."

Mr. Frank Blackaby, Deputy Director of the National Institute of Economic and Social Research, told the conference that the U.K. Government could no longer afford to sit back and allow unemployment to go on rising.

He forecast that there would be an early relaxation of hire purchase terms in the U.K.

£25,000 prize shared

By David Fishlock, Science Editor

THIS YEAR'S £25,000 MacRobert Award for engineering innovation has been shared between two teams, each of five men, from British Rail, Derby (the five on the left in the picture), and Westland Helicopters (on the right), for contributions respectively to the Advanced Passenger Train and the Lynx helicopter.

In one case the award-winning contribution was to railway vehicle suspension and in the other to a simplified design of rotor.

The British Rail team, led by Dr. Sydney Jones, carried out a mathematical analysis of railway vehicle suspension which produced an entirely new design concept. Other members of the team were Dr. K. H. Spring, Dr. A. O. Gilchrist, Mr. M. Newman and Mr. Alan Wickens, currently head of B.R.'s Derby research laboratories.

Their new principles are now in use on the high-speed passenger train but their most spectacular application will be on the Advanced Passenger Train (APT).

The Westland team, led by Mr. J. Speechley, managing director of Westland Helicopters, produced two major innovations—the semi-rigid rotor mechanisms and conformal gearing. Other members of the Westland team were Mr. B. A. B. Rogers, technical director, Mr. K. T. McKenzie, deputy chief designer, Mr. D. E. H. Balmford, chief technician, and Mr. G. J. Smith-Pert (formerly group chief mechanical engineer).

Westland's citation says helicopter designers have been striving for many years to simplify rotor head design to reduce maintenance, to make rotors more reliable and to achieve better performance.

A conventional rotor head has about 80 greasing points that have to be serviced every few hours of flying time: with the simplified Lynx design the number has been reduced to four.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

NORTH SEA OIL

Aids study of stress in offshore rigs

LEG structures of giant oil production rigs are particularly difficult to stimulate and analyse for the complex stresses set up in them by severe wind and sea conditions. The nearby picture shows how these joints can be represented and studied, using a finite element computer program called ASAS.

Atkins Research and Development's advanced analysis team is carrying out the work as part of the Government-sponsored Offshore Steel Research Project. The company won the contract from Safety and Reliability Directorate, Culcheth, in competition with several other groups.

North Sea oil production platforms take severe battering from waves and are susceptible to fatigue failure. Joints in tubular steel structures concentrate stresses and can be a potential danger unless these stresses can be determined with accuracy. Trebling thicknesses and making the structures much more stiff will not necessarily help.

Atkins staff are calculating these stresses in the leg joints for a variety of structures, starting with simple T-joints and progressing to the most complicated joints to be found in jacket structures.

ASAS was chosen because of its ability to analyse very large computer models—and detailed models of rigs are big enough for the largest machines available. It also provides shell elements which are relatively simple to handle so that fine detail in the intersection areas obtained by using many elements is comparatively easy to obtain.

Early results have been compared with stress displays from perspex models and there is a good deal of correlation between the two.

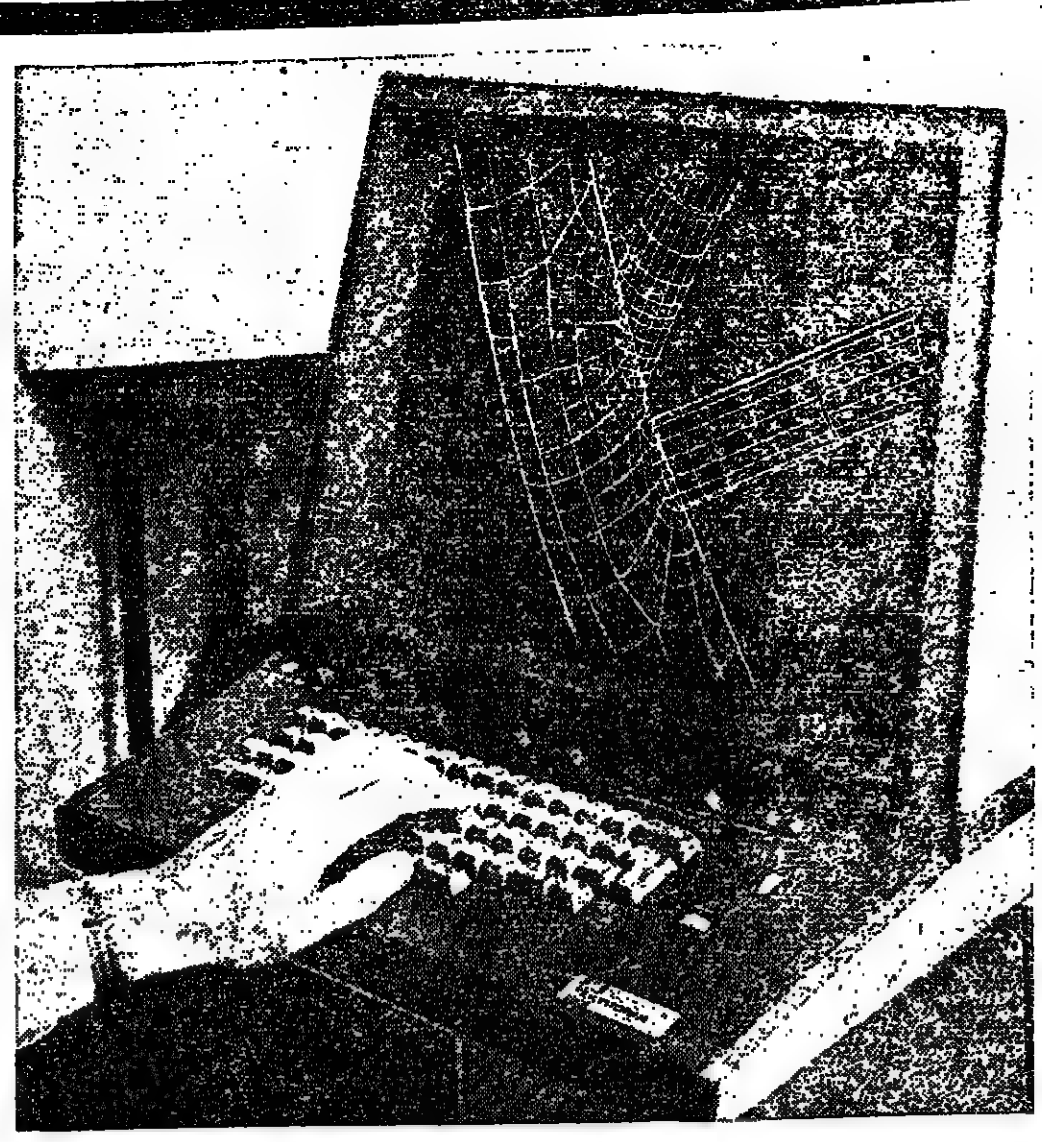
The work to produce these finite element diagrams on the visual displays is supported by a time-sharing link to a Sigma machine operated by Atkins. The diagrams generated are subsequently analysed by the ASA systems on the computer.

Atkins, in parallel with this work, has been commissioned to design and produce an automated system which will generate the large quantities of data required to represent each joint in a tubular rig leg.

This program will enable engineers to create finite models on a visual display and then, after they have been analysed, to study the stresses and bending moments in graphical form.

This will provide a valuable adjunct to the design work on large structures because of the elements of uncertainty which have prevailed in the past.

Atkins Group is at Woodcote Grove, Ashley Road, Epsom, Surrey. Epsom 26140.



Diagrams of tubular joints are generated on a visual display unit.

Putting Uncle John in place

THE RIG "Uncle John," currently under construction for Houlder Brothers by the Aker Group, will be equipped with an acoustic positioning system (M.A.P.) supplied by Marconi Space and Defence Systems, Frimley, Surrey (0276 63311).

Based on torpedo tracking systems developed for the Government, the system will be used aboard the "Uncle John" with thruster controls manufactured by GEC at Rugby to make a complete package.

The system uses six hydrophones attached to the rig's hull and three sea bed beacons, using different operating frequencies to enable the computer to select the best reception at any given time, eliminating manual selection errors.

"Uncle John" is a scaled down H3 series rig designed for site investigation, offshore maintenance, and firefighting roles.

COMPONENTS

Cathodeon production change

CATHODEON, Cambridge-based manufacturer of hollow cathode lamps, has announced plans to concentrate production on the 37 mm lamp which is now universally applicable to all atomic absorption equipment. The 46 mm lamp has been withdrawn from manufacture.

To cater for customers with Perkin-Elmer equipment a special sleeve has been designed to convert the 37 mm lamp to the required 50 mm fittings. This is available free of charge from Cathodeon or its agents throughout the world.

This rationalisation is being made so that deliveries can be improved and service kept at a high standard.

The 37 mm lamp range is available with 70 different recommended element materials.

Cathodeon is at Nuffield Road, Cambridge, CB4 1TF. Cambridge 56481.

COMPUTERS

Several users on one unit

OPUS, a new multi-access package from GEC Computers, has been announced. It is a hardware / software package which allows up to 16 users to make simultaneous use of a GEC 4080 processor. A typical configuration is a GEC 4080 processor, 192KB of core, two 35MB disc units, a 300 lpm line printer, an operator's terminal, a 16-channel communication control unit and multi-access software. Expansion and enhancement is by use of higher performance peripherals or through a choice of system options such as a graphics package or a remote job entry package.

Users seated at the OPUS system terminals may concurrently develop and run programs on the GEC 4080 in any one of four languages: Basic, Fortran IV, Coral 66 or Babbage. Not only may each of the users enjoy a free choice from these languages unaffected by fellow users, but he may also mix units of Fortran, Coral and Babbage within a program. Basic may be run interactively as well as in compiled programs.

The remote job entry option, Linkpak, allows an OPUS user to work through the GEC 4080 and into a suitable ICL or IBM mainframe.

Since such operation is transparent to the GEC 4080 this allows batch operation in a still wider choice of languages including—for instance—Cobol, RPG II, and PL/1 where the mainframe offers the appropriate facilities.

Further details from GEC on 01-953 2030.

Traffic accidents analysis

MAINTENANCE of traffic accident statistics is mandatory, and, properly managed, the data available should assist in reducing the accident level.

Two county councils, Surrey and Essex, are using the System 2000 data management package available from SIA, Ebury Gate, 23, Lower Belgrave Street, London SW1W 0NW (01-730 4544). The company has acquired bureau marketing rights for the system from MRI Systems Corp., Austin, Texas, and it has been implemented on SIA's CDC 6600.

Details of all accidents in the two counties involving injuries are being stored on the system and it is expected that an analysis of the data will enable traffic engineers to determine the cause. This study should provide a pattern, indicating which combination of engineering, enforcement and education will provide the right remedial measure.

Data being collected includes casualty details, types of vehicle, driving conditions, location of accident, and road characteristics.

To ensure that each accident is pin-pointed as accurately as possible, maps of each county's roads have been marked with survey nodes, enabling the traffic experts to recognise possible accident blackspots. Previously accident positions were located using grid references.

The accident information is fed into SIA's control data complex each month. At present, details of about 20,000 accidents dating back to 1972 are installed on the system.

INSULATION

Standard for double glazing

TO PROVIDE performance standards for insulating glass units, six companies making sealed double glazing units have formed the Insulation Glazing Association (6 Mount Row, London W1Y 6DY—01-629 8334).

A rigorous testing programme has been established, and specimens submitted by double glazing companies are tested by the independent Chatfield Applied Research Laboratories, South Godstone, Surrey.

Tests include seal leak detection, simulated weathering, and exposure to high humidity.

Units passing the tests are awarded a certificate and carry an IGA sticker. Introduction of the scheme was welcomed by the Department of Energy as a contribution to the Government's conservation campaign.

The first six companies, which sponsored the capital expense of purchasing, operating and developing suitable test equipment—Bradford Glass Co.; Hollow Seal Glass Co.; Multiglass; Pilkington Brothers; Plyglass; and Thermovitrine—have all received test certificates for their products.

To apply for testing and a certificate a company must be a member of the IGA. Further tests commence next month, but the IGA says it will be at least three years before the majority of manufacturers have been certified.

TEXTILES

Weaving controls from U.S.

CONTROL equipment for the textile industry originating from the Gould Corporation in the U.S. is to be marketed in the U.K. by Texkimp assisted by the U.S. company's subsidiary in the U.K., Gould Advance, of Bishop's Stortford, Herts.

Thus Texkimp's particular knowledge of textile machinery marketing will be allied with engineering and installation expertise from Gould Advance.

Equipment to be marketed under the arrangement includes an electromagnetic whorl tension system designed to apply uniform tension to the yarn during warping. The yarn is wrapped round a whorl cap and tension is applied electromagnetically through a patented hysteresis system.

Also becoming available is the Ultrapak minicomputer beam control system which automatically maintains uniformity of beam circumference during winding. A runner length controller is also being introduced. More from Texkimp, Legh Road, Knutsford, Cheshire WA16 8NT (0565 3090).

FINISHING

Polishing specimens

FOR BOTH laboratory and industrial users Precisionlap has introduced a small lapping and polishing machine. It is said to be suitable for light production finishing tasks and laboratory specimen preparation for metallurgical, geological and quality control uses.

Lapping or polishing plate speed is infinitely variable between 24 and 600 rpm, enabling specimens of any material and any hardness to be worked. Specimens are controlled by a sweep arm whose arc of travel across the plate is infinitely variable between zero and 40 deg.; angular adjustment of the centre position about which the arm traverses is 30 deg.; and the speed of sweep arm is infinitely variable from 2 to 50 cycles per minute.

Pressure of specimens on to the plate is also variable, but instead of relying on the conventional and clumsy weight loading techniques, a spring and lever system has been designed to ensure that working pressure remains constant throughout the machining cycle. A simple height adjustment is also provided in the sweep arm assembly.

Lapping or polishing plates or discs may be either 150 or 200mm in diameter and are of quick-change lift-off design. They are supported on a flat cast iron plate and driven by the button and keyhole principle. Available in Metalloid composite material, cast iron or any other composition, discs can normally be ordered for specific requirements as standard extras to the basic machine. Polishing cloths, or abrasive discs can be supplied.

Diamond Products Division, Precisionlap, Doman Road, Yorktown Industrial Estate, Camberley, GU15 3DF, Surrey. (0276 27123).

COMMUNICATION

£24m. job for Scicon

PROBABLY the largest turnkey information handling contract awarded to date in Western Europe has gone to Scicon, the wholly-owned computer services subsidiary of British Petroleum.

Worth a total of £24m. it is for an unspecified Middle Eastern Government and covers an integrated complex of computer centres and telecommunications links expected to take between 5 and 7 years to set up and operate, with Scicon the main contractor.

The hardware cost alone is put at £12m. which means that software and system works to be supplied principally by Scicon is about equivalent.

Scicon will need to draw on all its European resources and on those it has in three Middle Eastern centres and the project will be a valuable exercise in collaboration on a complex task which will place special demands on the company's training abilities.

The company operates from Sanderson House, Berners Street, London, W1P 4AQ (01-580 5599).

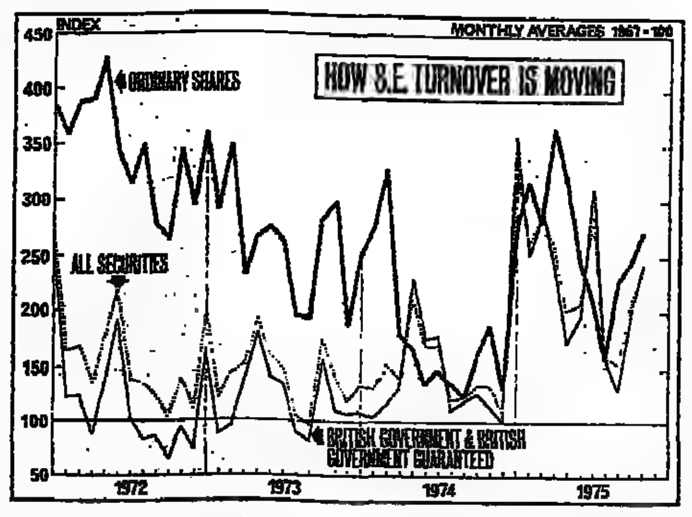
STOCK EXCHANGE BUSINESS IN NOVEMBER

Further improvement in turnover in all sectors

BY GEOFFREY FOSTER

U.K. Stock Exchange trading conditions in November were active, a further improvement in turnover being recorded in all sectors. Total turnover last month of £7.8bn. was up £1.1bn., just over 16 per cent. in money terms, on the October figure and some 56 per cent. up from September's £5bn.; September's total is the lowest so far this year. November's rise is even more marked when taking into account the fact that there was three fewer trading days in comparison with October.

The number of bargains rose by a mere 5,588 to 481,341 but the Financial Times Turnover index for All Securities of 240.0 compared with 206.5 in October and 153.7 in September; the year's high so far is the 335.8 attained in January.



As in October, the big improvement in business was due to increased volume in Gilt-edged securities. Here, turnover rose by just over £1bn. to £5.7bn., the highest since July's £7.3bn. and some £2.7bn. above September's depressed level of £3bn. Unlike the previous month, the improvement was not entirely due to activity in short-dated stocks. In fact, business in this region declined £0.2bn. on the month to £2.7bn. The medium and longer end of the gilt-edged market provided the boost in business volume, with turnover in other fixed-interest stocks rising £1.3bn. to £3bn. Bargains increased by 5,183 to 64,074, indicating that larger deals were transacted throughout the month. The average value per bargain was in fact up £6,009 to £128,893 in the shorts but by a huge £41,480 to £91,753 in other securities.

The Financial Times turnover index for British Government Securities last month was 242.8 against 198.5 in October, the years high and low figures so far being 356.9 (January) and 129.9 (September).

Business volume in equities improved. November's total of £1.5bn. was £0.1bn. up from October's £1.4bn. and £0.6bn. higher than the August total of £0.9bn. The number of bargains increased 13,336 to 381,771.

The average value per bargain improved slightly to £3,997 from £3,748 in October. The Financial Times turnover index for Ordinary shares reflected this with an improvement to 272.3 from 246.4 in October; the 1975 low of 156.0 was established in September while the high of 365.0 was recorded in April.

Gilt-edged quotations generally moved narrowly last month. A background of consistently falling U.S. money rates and hopes of a reduction in the Minimum Lending Rate, realised later, encouraged prices higher from the start. News of an IMF loan also helped sentiment. Business volume increased considerably in the later stages of the month when the exhaustion of two tap stocks in the last week unleashed a fairly substantial wave of buying. The Government broker's supplies of the Treasury 11¾ per cent. 1981 stock dwindled to the point where it could no longer be operated as a tap and in it's place a new £600m. tranche of Treasury 10 per cent. 1979 "A" was announced. Following this the long tap, Treasury 12¾ per cent. 1992, also ran out, resulting in the long end of the market going sharply better in response to heavy buying of the defunct tap stock.

Closing October at 58.05, the Government Securities Index moved between extremes of 58.68 (November 26) and 58.05 (November 5) before closing the month 0.32 higher at 58.37.

During November, equity prices reached new peaks for the year.

Share prices however, began to look tired towards the end of the month. Disappointing third-quarter figures from I.C.I. served to dampen sentiment, while a further ½ per cent. reduction in M.L.R. to 11½ per cent. on the last day of November failed to bolster flagging enthusiasm.

From an end-October level of 351.2, the Financial Times Industrial Ordinary Share index touched a 2-year high of 377.8 on November 19 before easing steadily to close the month a net 6.1 points higher at 357.3.

South African gold shares fell for eight consecutive trading days in November on a declining bullion price and the continuing political uncertainties concerning the Angola-South West Africa political situation.

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargains £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	2,687.8	34.2	20,853	4.3	134.4	128,893	1,042
Others	3,048.1	38.8	33,221	6.9	152.4	91,753	1,661
Irish Govt.	238.8	3.8	2,426	0.5	11.9	98,431	122
U.K. Local Authority	186.7	2.2	6,237	1.2	9.3	29,934	312
Overseas Govt. Provincial and Municipal	13.3	0.1	1,538	0.3	0.7	8,675	77
Fixed Interest Stocks Pref. and Prefd. Ordinary Shares	133.0	1.5	35,295	7.4	6.6	3,767	1,764
Ordinary Shares	1,526.1	19.4	381,771	79.4	76.3	3,997	19,089
TOTAL	7,833.9	100.0	481,341	100.0	*391.7	*16,275	*24,067

* Average of all securities.

LAWN TENNIS BY JOHN BARRETT

Nastase genius sinks Orantes in thriller

STOCKHOLM, Dec. 2.

THAT MERCURIAL genius of the courts, Ilie Nastase, putting the embarrassment of Monday's disqualification behind him, produced some magnificent Romanian magic to defeat Spain's Manuel Orantes 3—6, 6—4, 6—4 in just 90 minutes last night on the third day of the Commercial Union Masters.

It was a fine match, full of inventive shots played at lightning speed by two of the most artistic of to-day's top players. For a set Orantes was full of the flair and confidence that has brought him six Grand Prix victories this year, during the course of which he has beaten Nastase three times, in Hamburg, Toronto and in the quarter-finals of the U.S. Open, which Orantes went on to win.

Nastase last night was in an almost carefree mood. "I can only play if I am completely natural," he once said, to explain those undignified outbursts which have so often marred his performances. Fortunately, apart from a brief scream of anguish at a young linesman following a doubtful service call, and a short but heated objection to the movements of a courtside photographer, Nastase was in one of his happier frames of mind.

One must add that the equally cheerful mood of Orantes—surely one of the most likeable characters ever to have picked up a tennis racket—contributed to a sane atmosphere at last which, in turn, produced some beautiful tennis that had the capacity crowd of over 4,000, prolonging their applause at the changeovers in appreciation.

Memorable

There was one truly memorable rally in the closing stages of the second set that stopped the show for several minutes. As the two bisected the angles of the court, anticipating the replies and racing to all corners of the court in pursuit of delicate lobs and drop shots, the crowd could not contain their excitement. In the deafening applause that greeted the end of the rally both players responded with smiles and appreciative gestures.

The suport of the crowd, as it so often does, lifted Nastase to heights of his former greatness as he served, volleyed and passed with his old crisp and remarkable precision.

Firmness

Every punch that the Spanish middleweight threw at him Nastase parried, countering with a firmness that has been lacking from his game of late. From then, despite losing the opening two games of the final set, he looked always likely to win.

Orantes, caught at 3—3, desperately launched a victory bid, but began to tire and lost two vital service games. Although he recovered one of them he was not moving as he had done at the start. "I wanted to chase the ball, but my legs just wouldn't carry me," he explained.

The result has brought nearer the likelihood of mathematical complications in the White group. With one match each to play, Ashe now has two wins and Orantes and Nastase one each. If, Adriano Panatta beat Nastase to-night, and Orantes beat Ashe on Thursday there would be a triple tie for the second place, with the result depending upon the percentage of sets won.

There is less complication in the Blue group where Guillermo Vilas, the Argentine left-hander, who has won the Grand Prix for two years and holds the Masters title, and his close friend Bjorn Borg, the local boy who has made good so spectacularly, seem sure to be involved in Saturday's semi-final.

Last night Borg scored his second victory by soundly beating the scurrying retriever, Harold Solomon, 6-2, 6-2.

FT CLIPPER RACE BY ALEC BEILBY

Great Escape due in a week

THE CREW of the Italian yacht CS and RB II are now in Sydney for 24 hours after a 91-day voyage and adjusting to life ashore.

Still at sea, the crew of the Dutch yacht Great Escape have radioed that they are 450 miles due south of Adelaide and while no estimated time of arrival was given, yachtsmen in Sydney think that they should be here about December 10.

The yacht has made contact with the large Dutch community in Australia, who are preparing an impressive welcome and will ensure that she receives every possible help to see that she is ready for the start on December 21.

Her skipper had indicated that, like CS and RB II, the yacht will not need to be slipped, and her stores, as well as three relief crew, are already in Australia.

If she arrives on the predicted date, Great Escape will have made the 14,500 miles passage in 102 days, comparable with that of Sir Francis Chichester in 1967.

APPOINTMENTS

Lord Nelson on International Nickel of Canada Board

Lord Nelson of Stafford, chairman of the General Electric Company, has been elected a member of the Board of directors of the INTERNATIONAL NICKEL COMPANY OF CANADA. Lord Nelson, who had previously served on the Board from February, 1966, to January, 1974, has been a member of its advisory committee since 1974. A director of the Bank of England, Lord Nelson is also joint chairman of Babcock and Wilcox and Taylor Woodrow Atomic Power Construction Company and joint deputy chairman of the British Aircraft Corporation.

Mr. James C. Parlee will resign on December 31 as vice-chairman of the International Nickel Company of Canada, in anticipation of his mandatory retirement early in 1976. Mr. Charles F. Baird, who has been elected vice-chairman from January 1, has been senior vice-president since September, 1972, and a director since January, 1974.

★

Mr. Ernest Hall, vice-chairman of Birds Eye Foods Limited, has become the new president of the U.K. ASSOCIATION OF FROZEN FOOD PRODUCERS, succeeding Mr. Kenneth Webb. Mr. Hall will continue as chairman of the Association.

★

Herr Walter Gleich, a managing director of Norddeutsche Affinerie, has been appointed a director of AMALGAMATED METAL CORPORATION, which is controlled by Patino NV.

★

Mr. Andrew Ross has joined the Board of W. CANNING to fill the newly created post of marketing director. Mr. Ross was previously European director of Spicers, part of Reed International.

★

Mr. Basil Turvey, managing director of VICTORY INSURANCE, will retire on May 31, after 30 years with the company. Mr. C. S. S. Lyon will relinquish the position of chief executive from April 1 and will return to Legal and General Assurance Society to take up a senior appointment. He will remain on the company's Board. Mr. A. L. Preston, deputy general manager, takes the post of chief executive from April 1 and will be appointed to the Board from that date.

★

Mr. Richard Ling has been appointed a director and financial controller of CRODA POLYMERS GROUP from January 1.

★

Mr. A. C. Landor will resign as a managing director of LANDAUER (Fibres) on March 31. He will continue as a director and consultant to the company.

★

Mr. R. B. Bussy has been appointed financial controller of BALL AND COLLINS (Oil and Gas).

★

Mr. Peter Gartrell has been appointed to the Board of PROPERTY GROWTH ASSURANCE as marketing director. This follows an earlier change in responsibilities under which Mr. Donald Stringer, who formerly included marketing as one of his main functions, was elected managing director.

★

Mr. Eric Wigley has been appointed a director of DOVER ENGINEERING GROUP.

★

Mr. Aubrey Sacks has been appointed managing director of Arvm Furniture, the A. ARENSON (HOLDINGS) subsidiary. He has had more than 30 years' commercial executive experience at Board level.

★

Mr. D. J. Joy has been appointed managing director of PORTEC (U.K.), a subsidiary of Portec Inc. of Oak Brook, Illinois. He was previously deputy managing director of Polypac BAL, a member of the Weir Group.

★

Mr. William Hawkins has been appointed a director of TURNER CURZON, with responsibility for the company's manufacturing interests.

★

Mr. David Grenier has been appointed deputy chairman of CAPEL-CURE MYERS. Sir David Hill-Wood has been appointed managing director of the gilt and fixed interest department.

★

Mr. G. Brown has been appointed a director of TRIPLEX FOUNDRIES. He was appointed managing director of E. D. Hinchliffe and Sons when that company was acquired by Triplex Foundries Group in 1962.

★

Mr. M. H. R. King has been appointed a director of the NATIONAL EMPLOYERS' MUTUAL GENERAL INSURANCE ASSOCIATION.

★

SPICER-COWAN, part of Reed International, has announced that three directors of the company who have held regional posts are moving to its Kent head office. Mr. Bill Kerr becomes branch operations director, Mr. Leslie Lynch is appointed buying director and Mr. Douglas Yeoman is named national accounts director.

★

Air Marshal M. J. Beetham, deputy commander-in-chief, RAF Strike Command, is to be commander-in-chief RAF Germany and commander Second Allied Tactical Air Force from January 19 in succession to Air Marshal Sir Nigel Maynard.

★

CATER RYDER has announced the following appointments: Mr. A. K. Brown, Mr. D. J. Coe, Mr. P. G. Cairns, assistants to the directors, and Mr. D. M. Brock, assistant manager.

★

Activities of High Duty Alloys, HAWKER SIDDELEY'S metals company, are to be undertaken by three new wholly-owned subsidiaries: High Duty Alloys Castings, High Duty Alloys Forgings and High Duty Alloys Extrusions. The changes, which follow divisionalisation of the company earlier this year, are from January 1. The company's existing subsidiary, Hidutex Engineering Inc., will continue unchanged. The new companies and their boards are: HIGH DUTY ALLOY CASTINGS: Chairman, Mr. I. C. Dick; managing director, Mr. G. Howell; commercial director, Mr. K. C. H. Field; foundry director, Dr. C. Wilson.

HIGH DUTY ALLOYS FORGINGS: Chairman, Mr. I. C. Dick; managing director, Mr. F. G. Haddock; operations director (Redditch works), Mr. C. Anderson; technical director, Mr. S. J. Ashton; finance director, Mr. K. J. Chave; blade forge director, Mr. F. Clark; operations director (Smethwick works), Mr. J. E. Earl; commercial director, Mr. K. H. Miller; general forge director, Mr. M. J. Scanlan.

HIGH DUTY ALLOYS EXTRUSIONS: Chairman, Mr. I. C. Dick; managing director, Mr. J. A. Halley; technical director, Mr. S. J. Ashton; commercial director, Mr. E. Donaldson; finance director, Mr. T. E. Glendinning.

The existing subsidiary of High Duty Alloys, Hidutex Engineering will have a Board consisting of: Chairman, Mr. I. C. Dick; managing director, Mr. D. R. Gilbert; commercial director, Mr. G. H. Quiney.

★

Mr. R. F. Richardson, managing director of Abbey Life, has been appointed group general manager and president of HARTFORD EUROPE, following the retirement of Mr. C. F. Elsasser.

★

Mr. Tan Sri Tan Chin Tuan has resigned as chairman and as a director of SIME DARBY HOLDINGS. Mr. J. E. Bywater, Sime Darby's chief executive, has been appointed chairman. Mr. Tan Sri Chin Tuan announced his intention to retire and Mr. Bywater's acceptance of the chairmanship in his statement in the company's annual report published last month.

★

New editors for BBC Radio 4 programmes The World at One and The World Tonight, will take over on New Year's Day. Mr. Derek Lewis has been appointed editor, afternoon current affairs programmes, covering The World At One, PM Reports and The World This Weekend. He has been editor, evening current affairs programmes, since April last year. He succeeds Mr. Andrew Boyle, who is undertaking a special attachment to BBC Scotland. Mr. Alastair Osborne, currently editor of Radio 4's early-morning To-day programme, transfers to the post of editor, evening current affairs programmes, covering News Desk, The World Tonight and The Financial World Tonight.

★

Mr. Ralph Pearson has been appointed a director of WELLMAN ALLOYS and retains his responsibility for the metallurgical activities of the company. Mr. David Seabridge, sales manager, has become sales director.

APPOINTMENTS

WM

WOOD, MACKENZIE & CO

INVESTMENT ANALYST

ELECTRONICS/T.V. RENTAL SECTOR

A vacancy has arisen for an analyst, based in Edinburgh, to take over the established research work carried out within the Electronics and T.V. Rental Sectors. The person appointed will ideally have relevant experience in these industries and be capable of carrying out in-depth financial and business analyses. He needs to possess an ability not only for lucid written presentation of material but also for presenting his arguments verbally to clients.

Salary will be commensurate with the age and experience of the person appointed. The firm operates a profit-related bonus scheme and contributory pension scheme.

Written applications to:

W. W. Brodie, Esq.,
WOOD, MACKENZIE & CO.,
Stockbrokers,
68/73 Queen Street,
Edinburgh EH2 4NS.

APPEALS DIRECTOR

required for

INTERNATIONAL YOUTH CHARITY

Excellent salary with bonus incentive scheme and long-term prospects offered.

Successful applicant to have drive and energy and administrative ability at senior/middle management level, preferably in commerce. Age 30-50. Previous fund raising experience not essential but an advantage.

Please write with full details of age, qualifications, present salary and previous experience to

The Director
The Project Trust
Breacachadh Castle
Isle of Coll, Scotland

INTERNATIONAL GROUP

medium sized, with branches in Japan, South East Asia, Australia, South Africa, South America and Europe, with a view on diversification, is prepared to offer unique opportunity to top rate executive with proven and successful record and relations in a specific and profitable field, enabling group to envisage additional objectives.

Applications with curriculum and resumé of potential available, will be treated with utmost discretion. Reply to Box F.364, Financial Times, 10, Cannon Street, EC4P 4BY.

NIGERIAN RAILWAY CORPORATION

With the current new style in Management of Nigerian Railway Corporation, intensive efforts is being made to upgrade the quality of staff intake into the service generally. While at the same time develop in-service training for suitable serving staff.

The Nigerian Railway Corporation therefore invites applications from Graduates for appointment in Nigeria as:

(i) Mechanical Engineers

(ii) Electrical Engineers

QUALIFICATION—Candidates must possess University Degree in Mechanical and Electrical Engineering, or registered member of recognised professional Mechanical Electrical Engineering Institution.

CONDITIONS OF SERVICE—As in the public service. Applicants appointed as Pupil Engineers will be trained for a period of two years. On successful completion of their pupillage, they will be appointed Mechanical Electrical Engineers in Salary Scale Level 08, i.e. N3.264 x 150—N4.164 per annum.

METHOD OF APPLICATION—Application Forms are obtainable from the London Liaison Officer, Nigeria House, 9, Northumberland Avenue, London WC2N 5BX.

CLOSING DATE—15th January, 1975

Applications from Candidates in the Civil Service and Public Corporations should be forwarded through their present employers.

M. KABARA,
London Liaison Officer.

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

LECTURER IN ACCOUNTING

Applications are invited from graduates for a LECTURESHIP in ACCOUNTING in the expanding Department of Management Studies. Preferred areas of specialisation are financial accounting, auditing and accounting theory. The University has degree courses in accountancy and financial management, banking and finance, and economics with accountancy.

Salary will be within the present notional lecturer scale £2,775-£6,050 (under review) plus a threshold payment. Postcard requests for application forms and further particulars to Assistant Registrar (Establishment) ref. 75 472/LS. Informal enquiries may be made to Professor John Sizer, Head of Department of Management Studies.

Loughborough Leicestershire.

FINANCIAL CONSULTING

Little need to sell once you find your client. Hear how you can earn £8,000-£12,000 p.a. in your home area within the S.E. quarter of England.

Dial 01-409 2625
DON'T SPEAK, JUST LISTEN.

CHRISTMAS GIFTS

SCOTCH SMOKED SALMON

1½ lb side	£5.00
2 lb side	£5.40
2½ lb side	£5.70

Gift Pack with Knife 50p Extra
Sliced Sides 80p Extra

1 lb Sliced Smoked Salmon	£4.40

SMOKED TROUT EELS AND MACKEREL

4 x 5 oz Smoked Trout	£2.85
2 x 12 oz Smoked Mackerel	£2.00
2½ lb Whole Smoked Eel	£3.85

POST PAID IN U.K.
CASH WITH ORDER
ORDER EARLY FOR CHRISTMAS

J. & M. Shearer Ltd.,
8 Victoria Street, Aberdeen
AB9 1FL Tel: 0224 28206

PEACOCKS by Michael Rothenstein. 50 copies of this superb silk screen print (part of limited edition of 75) for sale at discount price of £40.50. Ring Nottingham (0602) 48436.

LONDON HOUSES AND FLATS

KENSINGTON FREEHOLD HOUSE

IN QUIET STREET OFF KENSINGTON CHURCH STREET

4 beds., living room, dining room, kitchen, bathroom. Gas-fired central heating. Tiny back yard with thriving Clematis. £33,500.

PHONE: 229 3908 OR WRITE:
37 Jameson St., London, W.8.

HOME CONTRACTS

WGI wins Beecham work

UNITED KINGDOM CONSTRUCTION AND ENGINEERING COMPANY, part of the WGI Group, has been awarded a contract by Humphreys and Glasgow for the pipework fabrication and complete plant installation for a multi-million pound penicillin raw product plant being built for the Beecham Group at its Irvine works.

★

A. MONK AND CO., Warrington, has won a contract for the next section of the Golden Square Development in the centre of Warrington from Ravenseft Properties. Work is due for completion early in 1979.

★

BARWICK GROUP, Dover, has secured contracts worth more than £2m. They include work for Ashford, Dover and Thanet District Councils totalling £1.5m., and orders from the Department of the Environment worth £500,000.

★

JOHN LAING CONSTRUCTION has received a further contract worth £700,000, to build student accommodation at University College, Cardiff. The new order comprises four blocks, each of four storeys, to accommodate 240 students in 48 flats.

★

FUEL GAS AND ENGINEERING SERVICES, part of BOC's gas services group, has won a £450,000 contract from Metrotect, part of the Anglo American Asphalt Group, to supply a coal tar pipe enamel production plant at Falkirk, Stirlingshire. BOC will undertake total project management control from initial design to meet Metrotect's process specification and description.

★

DAWSON-KEITH, Havant, has received an order worth £150,000 from IBM United Kingdom for four 300 kVA standby generators equipped for parallel operation and with automatic synchronising. They are to be installed at IBM's Greenock production plant for business machines.

★

CAPPER - NEILL INDUSTRIAL PRODUCTS has won a contract from ICI worth more than £100,000 for the design, fabrication, and supply of troughs manufactured in carbon steel.

★

CHARCON PIPES AND TUNNELS, Leicester, is supplying over 10,000 bolted tunnel lining rings to the Northumbrian Water Authority for its Tynemouth interceptor sewer project. The company is also supplying to this contract 500 bolted segmental shaft rings and 62 bolted segmental rings.

OVERSEAS PROPERTY

ITALY

ROME

in VIA VENETO

In the upper part, in a unique position with a magic view of Rome, a

PENTHOUSE

with a SUPERPENTHOUSE de luxe

of 320 m² and with a terrace of 160 m², completely restructured with independent heating and air conditioning installations

For Sale

For detailed information, please apply to:

Dr. Antonio Capannucci 14, via Baruffaldi 44100 FERRARA (Italy) Tel. (0532) 33701-39138

RESIDENTIAL PROPERTY

LEGAL NOTICES

No. 003899 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WINGFIELD INDUSTRIES COMPANY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 24th day of November 1975, presented to the said Court by PLASTIC TUBE & CONDUIT COMPANY LIMITED whose registered office is situate at Bath Road, Aldermaston, Reading, Plastic Tube Manufacturers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 12th day of January, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

FAISNER & CO.,
[illegible] Square,
London WC1B 5DU,
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January 1976.

No. 3943 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PAULS FEDERATED MERCHANTS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 25th day of November 1975, presented to the said Court by E. B. S. LIMITED whose registered office is at 63 Western Avenue, Newport, Gwent, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 12th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

FULWELL AND PARTNERS,
2, Queen Square,
Bristol BS1 4JQ,
Solicitors to the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 9th day of January 1976.

INTERNATIONAL CREDIT BANK GENEVA
(En Sursis Concordataire)
NOTICE TO CREDITORS

The Commissaires, appointed by the Cantonal Court of Geneva to deal with the affairs of the Bank have had published in the Swiss Official Gazette today a Notice to Creditors of which the following is a free translation:

"International Credit Bank, Geneva—En Sursis Concordataire

In accordance with provisions of Article 8 of the procedure rules of the law on Banks and Savings Banks and Article 10 of the regulations concerning the proceedings of Schemes of Arrangement for Banks and Savings Banks, the draft of the Scheme of Arrangement, the Commissaires' Notice, an abridged Statement of Affairs, a Summary of the Assets and of the liabilities have been deposited with the authority governing the Scheme of Arrangement for inspection by Creditors who establish their titles. The authority governing the Scheme of Arrangement is:

Cour de Justice Civile,
Première Section,
Palais de Justice,
1, Place du Bourg-de-Four,
1204 Genève.

Date of deposit: 2nd December, 1975.
Period of deposit for inspection: 30 days.

Creditors' objections to the draft Scheme of Arrangement must be made in writing to the authority governing the Scheme of Arrangement during the period of deposit for inspection. Those Creditors who do not make their objections within the period of deposit for inspection will be deemed to have approved the Scheme of Arrangement.

The draft of the Scheme of Arrangement will also be available for inspection at the following places:

Geneva: Banque de Crédit International, Geneve En Sursis Concordataire, 7-9 Rue du Conseil-General, 1205 Genève.

Zurich: Deloitte, Haskins & Sells A.G. [illegible]
[illegible] (after 4th December, 1975)
[illegible] (after 5th December 1975)

London: International Credit Bank Geneva, London Branch, 18 St. Swithin's Lane, London, E.C.4.

Luxembourg: Deloitte, Haskins & Sells, 16 Rue Notre-Dame, Luxembourg.

The Commissaires of the Scheme of Arrangement,
Deloitte, Haskins & Sells S.A.
Mr. P. Engel
M. C. Wheeler
Robert Pomone."

2nd December, 1975.

COMPANY NOTICES

BRITANNIC ASSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a dividend of 2½ per cent. (tax free) has been declared on the 5 per cent. (tax free) Cumulative Preference Stock of the Company for the half year ending 31st December, 1975, payable to Preference Stockholders registered in the books of the Company at the close of business on the 10th December, 1975.

The warrants will be posted on the 31st December, 1975.

By Order of the Board,
B. E. DUFFY,
Secretary.

COMPANHIA DE DIAMANTES DE ANGOLA
(Angola Diamond Company)

NOTICE is hereby given that the ORDINARY GENERAL MEETING of the Shareholders of the Companhia de Diamantes de Angola will be held at the Office of the Company in Rua dos Fanqueiros, Lisbon, on the 29th of December, 1975, at 3.30 p.m. for the examination of and voting on the Report and Accounts of the Directors and Statement of Auditors for the Financial Year 1974, and to nominate a Commission of Shareholders for revision of the fees paid to the Auditors. [illegible]

Shares must be deposited in sufficient time to enable the [illegible] on the 20th of December, 1975. [illegible]

F. Newbery,
Financial Agent.

UNIFONDS
Mutual Fund for Investment in German Securities

NOTICE OF DIVIDEND

[illegible]

Notice to Holders of
GENERAL SHOPPING S.A.

5¼% Convertible Bonds due 1987

As a result of the capital increase of November 1975, the conversion amount applicable to the Bonds has been adjusted in accordance with the Conditions of the Bonds. The Bonds of US$ 1,000.—are now convertible into Ordinary Shares of US$ 100.—at the rate of 6.1967 Shares per Bond.

GENERAL SHOPPING S.A.

ASPRO-NICHOLAS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Register and the Register of Members of Preference Stock will be closed from 9th December 1975 to the 24th December 1975 both days inclusive.

By Order of the Board,
A. W. SAMPSON, Secretary.

COMPANY NOTICES

HILL SAMUEL OVERSEAS FUND S.A.

Société Anonyme
Head Office: Luxembourg, 37, rue Notre-Dame
Trade Register: Luxembourg: B 8422

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Statutory General Meeting which is to be held on the 12th December, 1975 at 2.30 p.m. at the head office, with the following agenda:

Agenda

1. Submission of the reports of the Board of Directors and of the Statutory Auditor.
2. Approval of the Balance Sheet and the Profit and Loss Statement and appropriation of the results as per September 30th, 1975.
3. Discharge of the Directors and of the Statutory Auditor for the proper performance of their duties for the period ended September 30th, 1975.
4. Receipt of and action on nomination for election of Directors and of the Statutory Auditor for a new statutory term.
5. Any other business.

There is no quorum requirement for the Annual General Meeting and the resolutions will be passed at a simple majority of the shares present or represented.

Holders of bearer shares may vote at the Meeting by proxy by completing the form of proxy which will be made available to them against deposit of their share certificates at one of Hill Samuel Overseas Fund's paying agents.

The Board of Directors

PUBLIC NOTICES

GLASGOW DISTRICT COUNCIL

[illegible] Bills at 10 63-64% [illegible] March 1976. Applications totalled £33m. The total amount of bills outstanding is £7.3m.

CLASSIFIED ADVERTISING RATES

	Per single column centimetre
Appointments	£9.00
Industrial and Business Property	£9.00
Residential Property	£9.00
Business Opportunities	£11.00
Educational	£9.00
Motors	£9.00
Hotels and Travel	£9.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres.

Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available — rates on request.

Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

INSOLVENT ESTATE BENJAMIN JOHANNES HENDRIK DU PREEZ
("the insolvent")

Sale by Public Auction of the Issued and Paid-up Share Capital of Desert Diamond Resources (Proprietary) Limited ("the company") and the Insolvent's claim against it

(1) 1 000 shares of 10 cents each ("the shares"), being the issued and paid-up share capital of the company;

and

(2) the insolvent's claim ("the claim") of R22 906 842 against the company

will be sold by THE STANDARD BANK OF SOUTH AFRICA LIMITED ("SBSA") (to whom the shares have been pledged and the claim has been ceded as security for the insolvent's debt to it) at a public auction which will be held at 10h00 on 22nd December 1975 in the Auditorium, 2nd Floor, Van Eck House, 19 Rissik Street, Johannesburg, on the following terms and conditions—

(a) No warranties are given or will be given and no representations are made or will be made in respect of—
   (i) the business, assets or liabilities of the company and, without derogating from the generality thereof, the mining titles, mineral rights, leases and prospecting rights which according to the books of account and records of the company are owned by or are vested in it;
   (ii) the shares or the claim.

(b) Consequently, the sale of the shares and the claim will be—
   (i) "voetstoots";
   (ii) on the conditions that under no circumstances whatever—
      (A) may any claim of any nature whatsoever arise or be brought against either SBSA, or the trustees of the insolvent's estate, or the person conducting that public auction;
      (B) may the sale of the shares and the claim be cancelled.

(c) The shares and the claim will be sold together and not separately.

(d) Each intending purchaser (other than SBSA) must hand to one of the provisional trustees (who will be nominated by them for that purpose) who will be at the place at which that public auction will be held at least half-an-hour before the time appointed for the holding of that public auction—
   (i) an undertaking in the following form signed by and binding on a commercial bank registered under The Banks Act, 1965 (as amended), of the Republic of South Africa—

   "The Standard Bank of South Africa Limited Johannesburg

   This bank undertakes to pay to you, free of exchange, at your Commissioner Street Branch, Johannesburg, the purchase price of (if the undertaking is limited, then state 'not exceeding R.................')—
   (1) 1 000 fully paid shares of 10 cents each in Desert Diamond Resources (Proprietary) Limited;
   (2) the claim of Benjamin Johannes Hendrik du Preez against that company

   if those shares and that claim are purchased by [here state the name(s) of the intending purchaser(s)] at the public auction of those shares and that claim which will take place on 22nd December 1975. In that event, the amount due in terms of this undertaking will be paid to you against delivery to this bank of a letter signed by any one of your general managers (it shall not be necessary to prove the appointment or qualification or authority of the one of them who signs that certificate)—
   (a) certifying the amount payable by this bank to you in terms of this undertaking (that certificate will be binding on and may not be challenged by this bank);
   (b) undertaking that the documents referred to in paragraph (j) of the conditions on which that public auction will be held will be delivered to this bank, on behalf of the purchaser(s) in question, as soon as possible thereafter.

   This letter is irrevocable, not negotiable or transferable and must be returned to this bank against payment in terms hereof."

   (ii) a letter signed by the intending purchaser(s) (or his/their/its authorised representative)—
      (A) irrevocably nominating a place in Johannesburg as domicilium citandi et executandi for the service of all notices and other documents arising from the purchase of the shares and the claim;
      (B) nominating three persons to be appointed as the directors of the company; and
      (C) stating the names of two persons to whom the shares are to be transferred and the number of shares to be transferred to each of them;
   (iii) properly completed and signed forms CM27 in terms of the Companies Act, 1973, (as amended), of the Republic of South Africa, in respect of the three nominees of the intending purchaser(s) who are to be so appointed as directors of the company with their written consent to those appointments and to the lodging of those forms with the Registrar of Companies.

   SBSA will not be required to furnish the undertaking referred to in (i) or the letter referred to in (ii) or the forms referred to in (iii).

(e) If any intending purchaser will not be personally present but will be represented at that public auction, then proof of the authority of that representative must be given to the satisfaction of Mr. C. Friedman (or failing him another partner in Hayman, Godfrey & Sanderson nominated by it for that purpose) simultaneously with the delivery of the undertaking, letter and forms referred to in (d).

(f) Each intending purchaser or that intending purchaser's authorised representative will then be given an identification card for the purpose of that public auction.

(g) (i) Anyone (i.e. other than SBSA) who does not comply with (d) and (e) will not be permitted to bid at that public auction for the purchase of the shares and the claim.
   (ii) If any letter of undertaking given in terms of (d) (i) is limited as regards the amount payable in terms thereof, then a bid in excess of that amount will not be valid and therefore will not be considered.
   (iii) A bid at that public auction without the simultaneous raising of the card referred to in (f) will not be valid and therefore will not be considered.

(h) The shares and the claim will be sold at the highest valid bid therefor at that public auction.

(j) If the shares and the claim are purchased by anyone other than SBSA, and provided that the amount due in terms of the undertaking referred to in (d) (i) has been paid to SBSA, then the latter will deliver, as soon as possible thereafter, to the commercial bank which issued that undertaking, on behalf of the purchaser(s) of the shares and the claim
   (i) the share certificates in respect of the shares;
   (ii) transfer forms in respect of the shares signed by the registered holders thereof;
   (iii) a cession of the insolvent's claim against the company;
   (iv) resolutions passed by the directors of the company
      (A) authorising the registration of transfer of the shares to the persons nominated in the letter referred to in (d) (ii) (C);
      (B) recording the cession of the claim to the purchaser;
   (v) a letter recording that
      (A) the three directors of the company appointed by SBSA and their respective alternates have resigned and that the relevant forms CM27 have been filed with the Registrar of Companies;
      (B) the three persons nominated by the purchaser in the letter referred to in (d) (ii) (B) have been appointed as directors of the company;
      (C) the forms CM27 referred to in (d) (iii) have been delivered to the Registrar of Companies;
   (vi) the written consent of SBSA to the cancellation of article 107 of the company's articles of association in terms of which special rights are vested in SBSA.

(k) (i) The purchase price less R1 will first be applied towards the purchase price of the claim at the par value thereof.
   (ii) That R1, together with the balance, if any, of that purchase price, will then be applied towards the purchase price of the shares.

(l) The purchaser(s) will be liable for and therefore shall pay the stamp duty in respect of the registration of transfer of the shares.

(m) The decision of Mr. C. Friedman (and failing him any other partner in Hayman, Godfrey & Sanderson nominated by it for that purpose) on—
   (i) the interpretation of these conditions;
   (ii) compliance with the provisions of (d) or (e) or (j);
   and
   (iii) the manner in which that public auction is to be conducted and, in particular, any dispute in regard to the acceptance or non-acceptance or consideration of any bid thereat, shall be binding on all bidders at that public auction and on the purchaser(s) of the shares and the claim.

GENERAL

(1) A copy of the company's
   (a) (i) certificate of incorporation;
      (ii) certificate of change of name;
      (iii) memorandum of association;
      (iv) articles of association (as amended);
   (b) audited balance sheet for its financial year which ended on 30th June 1973 and audited annual financial statement for each of its financial years which ended on 30th June 1974 and 1975 respectively;

(2) a schedule of the mining titles, mineral rights, leases and prospecting rights which, according to the company's books of account and records, are owned by or vested in it;

(3) a schedule of the mining equipment which, according to the company's records, is owned by it

may be inspected at—
   (A) SBSA, 20th Floor, Standard Bank Centre, 78 Fox Street, Johannesburg, or Peat, Marwick, Mitchell & Co. 19th Floor, Carlton Centre, Commissioner Street, Johannesburg, during their respective business hours on weekdays (Saturdays and non-business days excepted);
   (B) the company's registered office, 2nd Floor, Volkskas Building, 262 Kaiser Street, Windhoek, South West Africa, during its business hours on weekdays (Saturdays and non-business days excepted)

in each case from the date of this advertisement up to and including 19th December 1975.

CINEMAS

ABC 1 & 2, Shaftesbury Ave. 836 8861. Sep. Perfs. ALL SEATS BKBLE.
1. MISTER QUILP (U). Wk. & Sun.: 2.00, 5.30, 8.30.
2. LOVE AND DEATH (A). Wk. & Sun.: 2.00, 5.30, 8.30.

CURZON, Curzon Street, W.1. 499 3737. A MAN FOR ALL SEASONS (U). Film at 4.00 not Sun. 6.10, 8.20 and 8.35 Ends Wed Dec 10.

EMPIRE, Leicester Square. ROOSTER COGBURN (U). Progs Daily 2.00, 5.30, 8.30. Sep. Perf. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE. 930 5252. See! Hear! Feel! TOMMY (AA) The Film Events of the Year. Sep. perfs. 1.20, 4.30, 8.00. Sun. 4.30, 8.00. All seats may be booked.

ODEON HAYMARKET (930 2738-2771.) Dustin Hoffman "LENNY" (X) Sep. progs. Wk. 2.00, 5.15, 8.30. All seats may be booked.

ODEON, Leicester Square. (930 6111.) Temporarily closed for redecorating and refurbishing.

PLAZA 2, Regent St. 839 6494. Box Office open 11 a.m.-7 p.m. (not Sun.) GONE WITH THE WIND (A) in 70 mm. Progs. Wk. 2.30, 7.30. Sun. 2.30, 7.30. All seats bookable.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Great Year. EMMANUELLE (X) Sep. Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats bookable. Licensed Bar.

RITZ, Leicester Sq. 437 1234. 3 DAYS OF THE CONDOR (AA) Progs. Dly. 1.45, 3.50, 6.10, 8.30.

SCENE 1, Leic. Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.30. Show Fri. and Sat. 11.45. Ken Russell's LISZTOMANIA (X) Progs. 12.30, 2.40, 4.45, 7.05, 9.25. Late Show Fri. and Sat. 11.45.

SCENE 2, Leic. Sq. (Wardour St.) [illegible] 4470 Cont. Pfs. Dly. from [illegible] Show Fri. and Sat. 10.55. WHAT'S UP [illegible] AND THE BEAN [illegible] Show Fri. and Sat. 10.55.

SCENE 3, Leic. Sq. (Wardour St.) [illegible] THE TOWERING INFERNO (A) [illegible] Show Fri. and Sat. 11.25. Seats Bkble.

CINEMAS ARE CONTINUED ON PAGE 28

LABOUR NEWS

Two more unions pull out of print technology talks

BY ROY ROGERS, LABOUR CORRESPONDENT

THE CHANCES of a peaceful technological revolution in the national newspaper industry suffered a major setback yesterday when two printing unions including the National Graphical Association pulled out of top level talks with employers scheduled to open later this week.

Yesterday's decision by the NGA news trade group committee and a similar move by the Amalgamated Union of Engineering Workers follows the week-end decision by SLADE (the process workers) to withdraw from the talks.

This leaves only four printing industry unions—the Society of Graphical and Allied Trades, the National Society of Operative Printers, Graphical and Media Personnel, the Electrical and Plumbing Trades' Union and the National Union of Journalists—who will meet the employers on Friday at what was to have been a "crisis" meeting.

The NGA decision was not entirely unexpected and stemmed from the refusal by the other unions to agree that wherever possible traditional demarcation lines should be maintained whenever new computer-based technology is introduced.

Demarcation issue

In effect, the NGA is asking for agreement that its members, whose jobs will he hit hardest by the new technology, should man the computer terminals in the new computerised process which will replace their traditional type-setting role.

If, as seems likely from yesterday's decision, the NGA sticks to its insistence on maintaining demarcation lines, then major technological advances planned by several national newspapers including the Daily Mirror, the Daily Telegraph and the Financial Times, could run into severe problems.

The NGA's withdrawal from the talks which were being organised by the TUC printing industry committee co-incides with the union's continuing wrangle over its application to rejoin the TUC. Just last Monday the NGA was told it would have to pay in full the £46.000 back-affiliation fees for the time it has been out of the TUC for remaining registered under the Industrial Relations Act. The union had hoped to have the back-payment reduced because the other unions had prevented it from rejoining more than a year ago.

Last night, Mr. Bill McLoughlin, AUEW divisional organiser responsible for Fleet Street, said that his union would not attend the talks as they already had "far too many problems outstanding" with the employers without embarking on any new discussions.

Chrysler faces occupation of Coventry plant

BY PETER CARTWRIGHT IN BIRMINGHAM

CHRYSLER management was warned yesterday that if there was going to be a complete withdrawal of manufacturing from its headquarters in Coventry, it could expect to face an occupation of its Stoke factory which makes engines and transmissions.

This is the key factory involved in the big Iran contract to supply Hunter cars in kit form and which the Government is concerned to preserve.

Chrysler stewards who met yesterday decided almost unanimously to occupy the factory if the company tried to pull out entirely and the Government failed to find alternative jobs.

"Of course, we recognise that many jobs have to go," Mr. Bob Morris, Transport and General Workers' Union convener at the Stoke plant, said. "But our aim is to save as many jobs as possible and if Chrysler—or the Government tries to shut down the plant, we shall fight for our jobs to the bitter end.

"Our colleagues would not expect us to do less than that."

Mr. Morris said that what the unions wished was that they should be involved in any decision being considered as to the future not only of the Stoke plant, but of other Chrysler plants as well.

Steel union opens pay talks with BSC

BY LORELIES OLSLAGER, LABOUR STAFF

THE BRITISH Steel Corporation, already engaged in a hard struggle with the trade unions over its request for a drastic reduction in labour costs, is this week receiving pay claims for some 120,000 of its employees.

Yesterday, the Iron and Steel Trades Confederation—the biggest union in the industry—opened pay talks for some 70.000 manual workers whose current 19-month agreement provides for an increase in January in line with the movement in the cost of living between October and December.

Apart from wanting to settle this rise, t ehunion asked BSC to examine whether something more could be done for lower-paid workers. It is also exploring whether further index-linked rises can be arranged under the counter-inflation policy.

On Friday, unions representing the corporation's 50,000 staff are to table their claim, which is to be decided to-day.

The staff's agreement runs out at the end of December, but the vast majority of them have had index-linked rises in excess of £6 since the counter-inflation policy came into force.

This would rule out a straightforward claim, but the staff unions are also considering whether they can obtain any further increase linked to the cost of living.

In BSC's present situation no major confrontation is expected over pay.

● The report of the court of inquiry set up to examine the background of the British Steel Corporation's dispute with the National Union of Blastfurnacemen over the commisioning of a new, modern furnace on Llanwern will be published to-morrow, it was announced yesterday.

Defeated Left-wing official to seek new AUEW post

BY OUR LABOUR CORRESPONDENT

MR. BOB WRIGHT, the Left-winger voted off the executive of the Amalgamated Union of Engineering Workers last month, is to stand next March in a ballot for the job of one of the union's assistant general secretaries.

His main opponent for the vacancy, following the retirement of Left-wing Mr. Ernie Roberts in April 1977, will be Mr. John Weakley, a Right-wing convener from British Leyland's Llanelli works in South Wales and a member of the union's policy-making national committee.

The ballot is likely to be Mr. Wright's last chance to continue as a major figure in the union because, if defeated, he will be obliged to return to work on the shop floor, after 20 years as a full-time AUEW official, or leave the union entirely.

At the same time it will be seen as a major opportunity for the Left-wing to salvage something from recent elections which brought dramatic victories for Right-wingers who won control of the seven-man executive. However, the Left just managed to hold on to the other assistant general secretary post filled by Mr. Ken Brett, a Communist.

Mr. Wright is a leading motor industry negotiator and has played a leading role in the British Leyland rescue. Mr. Weakley came into national prominance earlier this year when he won a High Court injunction preventing the union from abandoning the postal balloting system of electing officials. This system lies behind the recent Right-wing revival in the union.

The controversy over postal balloting and the old branch voting system is reopened in the December issue of the union's journal which is run by the union's Right-wing general secretary Mr. John Boyd.

Mr. Boyd gives figures to show that the cost per vote in 1971, the last year of branch voting was 11.76p while in last year's postal balloting the cost per vote was 7.8p. But the overall cost to the union of the postal system was £151,490, more than double the £64,323 in 1971.

Unions will be consulted on pensions

By Eric Short

THE FIRST regulations under the Social Security Pensions Act were laid before Parliament yesterday by Mrs. Barbara Castle, Social Services Secretary.

These impose a legal obligation on employers to consult employees and their trade union representatives before deciding whether to contract out of the proposed second tier State pension set up under the Act.

Employers will have to explain to employees and unions the benefits they will receive from occupational pension scheme and from the State scheme, and the size of the contributions to be paid for these benefits.

If an employer intends to contract out and provide the second pension by means of an occupational scheme, then he must allow at least three months for these consultations.

At the end of this period he can apply to the Occupational Pensions Board for a contracting-out certificate, but this will only be issued if the Board is satisfied among other things that the procedures of these regulations have been followed.

Employees or unions can appeal to the Board if they consider that proper consultations have not taken place and disputes can be referred to the appropriate industrial tribunal.

Employers with more than one pension scheme can consult employees and unions on an individual or a group basis, whichever is more convenient, subject to union approval.

Herbert hopes for peace over 850 run down

BY OUR MIDLANDS CORRESPONDENT

IN SPITE of hostility by production and staff employees to compulsory redundancy, Alfred Herbert, the ailing Coventry-based machine tool producer, is hopeful of achieving its planned run-down of 850 of the labour force to 5,700 by the end of January without confrontation.

Notices to the 350 staff affected have been sent out, with a last day of service of December 12. Their representatives have been even more determined to resist compulsory redundancy than their shop floor colleagues, but have been smoothed over with the offer of somewhat more generous terms to accept voluntarily, but with a shortened life at the plant.

The 300 indirect and 200 direct workers have taken a different course in preferring a longer term to achieve their planned run-down. Compulsory redundancy has been deferred until the end of January. By that time it is hoped that at least 550 of the 850 will have opted for voluntary redundancy.

However, the programme will have to be followed by more redundancies unless the order book is maintained and the grinding business at Red Lane, Coventry, cannot be sold. A further 300 jobs there are at risk.

Hawker men in bid for more work

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SHOP STEWARDS representing workers at the Hawker Siddeley Aviation factory at Hatfield, Hertfordshire, have begun a campaign to get more work and thus stave off the possibility of redundancies.

The shop stewards, acting on behalf of over 4,000 workers, are arguing that unless the Government ensures new work for the factory there is a possibility that it will have to close.

Some of the departments working on Tridents for China have already run out of work, and that contract as a whole is expected to end in about 18 months' time.

But the shop stewards also say that there are several options available. One is to stimulate new orders for the Trident itself. Another is resurrection of the HS-146 feeder-liner, shelved a year ago.

A third is extending the life of existing Tridents in British Airways' fleet by putting in new components, pending the launching of a new version of that aircraft with quieter engines.

The shop stewards also argue that there are good prospects of work from sales of Hawk and Harrier fighters overseas, if the Government encourages such activity.

Mr. Derek Hollingsworth, the works convener, said yesterday that Hatfield was one of the few factories in the world outside America "recognised by the major airlines as being fully competent to design, manufacture, flight-test and sell a modern jet airliner.

"We believe that no administration in its right mind would allow such a priceless national asset to collapse."

The Hatfield shop stewards will say in their meetings with MPs and Ministers, and throughout their campaign, that failure of the Government to take the steps needed will not only result in the country's dole queues growing longer, but that the aerospace industry's export achievement (£631m. last year) will be eroded

Union shift on balance of power

PROGRESS of the country's third biggest union towards greater control by lay members was marked yesterday when the newly structured executive council of the General and Municipal Workers Union completed its first session.

The council, which takes full authority in January, has 30 members: 20 shop-floor members elected every two years and ten regional secretaries who are appointed and give up their seats on retirement.

Politically, the balance in the new council has not shifted markedly, but the new structure will give union activists greater opportunities in future to steer the national policy of the traditionally moderate 864,000-member union.

PARLIAMENT

Clause 4 wins no converts

BY PHILIP RAWSTORNE

AS IF ENGAGED in some primitive ritual. the Commons yesterday began the nationalisation of the aircraft and shipbuilding industries.

Mr. Eric Varley. Secretary for Industry. intoned a liturgy of the 'industries' deficiencies and promised salvation through public ownership.

Mr. Michael Heseltine, roaring hell-fire from the Tory front bench, conjured up visions of Labour's previous victims in damnation of the heresy.

Throughout it all, Mr. Eric Heffer, the former Industry Minister, led an alternating *chorus* of protests and pleas. There is nothing like Clause Four to stir the political atavism of MPs.

Mr. Varley proclaimed the sins of private enterprise in a voice that managed to sound both matter-of-fact and passionate.

In both these industries, he declared, private enterprise had *"failed to deliver the goods"*—*that, in a nutshell, is one, only one,* unanswerable argument for nationalisation."

The reorganisation of the industries was vital if they were to surmount the difficulties that faced them, he said, hinting heavily at a run-down of the aircraft sector.

The fragmented structure of the industries, the lack of co-operation between companies, their wasteful duplication of resources—all meant that the industries could not realise their full potential.

Unified control would enable them to fulfil their promise, said Mr. Varley, without converting any of the sceptics on the Opposition benches.

"Nationalisation offers an opportunity to make a fresh start . . ." he added and industries which depended for their existence on public money could not be called genuine examples of private enterprise anyway.

With even the Scottish Nationalists still unimpressed, Mr. Varley finally summoned the spirits of the workers. They *wanted it, he said,* and the fundamental shift of wealth and power it would bring them.

Mr. Heseltine's response was rough, to say the least. The Government placed a faith in the change of ownership out of all proportion to what it had achieved *before. he complained.* Half of all the taxes paid by the private sector were now being used to subsidise the nationalised industries.

And yet the Government pursued its narrow dogmatic approach, still hoping for a revival of *British industry.*

There was no strategy, plan or vision for the future in the Government's proposals, Mr. Heseltine declared. Instead, offering terms of confiscation rather than compensation it was pandering to the insatiable appetite of extremist Left.

Tory sees threat to pensions 'treaty'

BY ERIC SHORT

THE Labour Party must declare that interference with pension funds is firmly ruled out of any future policy, Mr. Kenneth Clarke, a Tory spokesman on pensions and social security, told an Industrial Society conference yesterday.

The development of occupational pensions had been badly damaged by political uncertainties and changes in policy, declared Mr. Clarke. To avoid this, the Government and the Conservative Opposition had adopted a bipartisan approach to *the future structure of pensions.*

This important political "treaty" was now being put at risk by threats from the Left on the investment *freedom of pension fund managers,* he said. Numerous policy committees of the Labour party and leading trade union speakers were demanding, with increasing frequency, that pension funds should be directed into ailing manufacturing industries, nationalised industries, public sector housing and other purposes.

If the Government ever adopted such a policy, it would amount to legalised theft from the savings of working people invested in pension funds.

Mr. Clarke said that managers *of pension funds had the duty to* invest to produce the maximum return. Any direction of investment would lead to lower returns depriving the fund of the security expected.

The Conservative party had played its part in removing uncertainty so that employers and trade unions could confidently plan their pensions within the new structure, by guaranteeing no further changes. It would have been double-crossed if Labour allowed its *wild men to threaten to manage* the assets of pension funds, he added.

Varley says private enterprise has failed to deliver the goods

THE private sector had failed to deliver the goods, said Mr. Eric Varley, Industry Secretary, moving the second reading of the Aircraft and Shipbuilding Industries Bill in the Commons yesterday.

"That, in a *nutshell,* is one, but only one, unanswerable argument for nationalisation," he declared.

Mr. Varley said it was also increasingly clear that the private sector of the aerospace *industry was unable to finance* the huge scale of current projects from its own resources. "An industry which depends for its existence on public money cannot be called a genuine example of private enterprise."

A major factor in the Government's decision was that the workers, through their unions, had made it abundantly clear that they wanted the industry in which they worked to be taken into public ownership because it would increase efficiency.

The case for nationalising the shipbuilding industry was equally compelling. The history of the industry in the past 20 years had been one of decline.

Underlying its problems was a fragmented structure and the failure of shipbuilders to act together in a co-ordinated way to match the power of their competitors.

"Nationalisation offers an opportunity to make a fresh start in this industry."

Mr. Varley said the new *State Corporation would be* required to have full regard to promoting industrial democracy. "Workers will be entitled by law to be involved in decisions which affect their livelihood."

The shipbuilding market was likely to stay depressed in the foreseeable future and it was therefore more than ever im*portant that Britain should have* an efficient industry.

Private enterprise had shown itself incapable of dealing with its own difficulties and failings, and nationalisation was necessary to ensure efficiency.

"Above all, the Bill helps to fulfil our aim of bringing *about a fundamental and irreversible* shift in the balance of wealth and power in favour of working people and their families."

Confiscation

Mr. Michael Heseltine, shadow Industry Secretary said that nationalised industries, far from being more responsive to the country's needs, were less responsive. Current losses on the *nationalised industries were £1bn.* a year.

Half of the tax paid on the profits of every single company in the country was now going to subsidise the nationalised industries.

The asumptions made by the Government in carrying out the nationalisation were wholly false. The tragedy was that what was being done was beyond the comprehension of one half of the Labour party to understand, and beyond the will of the other half *to resist.*

The Bill broke new ground in a number of ways. It was without precedent for two wholly dissimilar industries to be nationalised in one Bill.

Another precedent was that 43 companies were being taken over by one Minister, and 143,000 people transferred from the private to the public sector.

"The first crisis will bring a demand from the Secretary for Industry for cash, and the Treasury will impose a monitoring process with the ruthlessness with which they control the public sector."

On shipbuilding, Mr. Heseltine said: "Once again dogma has been accorded a higher priority than industrial rationalisation." Urgent and obvious problems had not only not been solved: they had not even been discussed.

Terms of compensation being offered by the Government were more like terms of confiscation. "They bear no relation to the asset values of the companies concerned."

In Hawker-Siddeley's case the value appeared to be just over half the net asset value on January 1, 1973. "Is this really fair to 60,000 direct shareholders and hundreds of thousands more whose savings are invested?"

Referring to the terms given by the Government for Court Line assets last year, Mr. Heseltine said: "What an incredible position when a bankrupt company can sell its assets to the Government at one price, while a whole industry can be purchased on terms incomparably less fair."

The companies will be paid in Government stock. It is of absolutely no use to industrial companies whatever. They will sell it, and in the main, they will spend the proceeds.

The two giant bureaucracies set up by the Bill would end up just like all the others. "There is no will in this Government to resist the appetite of its extremist Left," Mr. Heseltine declared.

Liberal industry spokesman, Mr. Richard Wainwright, said that Liberals would vote against the Bill, which was "an insult to democracy." Firms which had proved themselves viable were confused in the Bill with a large *number of firms whose future* was doubtful.

Liberals believed that some painful decisions should be taken. The construction of conventional shipping faced a generation probably of gross over-capacity.

Liberals thought that viable companies should be left alone, while others should be enabled, by a very modest expenditure of public money, to run down their capacities to meet the low state of world demand.

Mr. Julian Amery (C., *Brighton Pavilion) recalled that* when he was Minister of Aviation he had as much control over the private sector as over the publicly-owned sector.

But private firms were more flexible in dealing with foreigners, and were not subject to the same political pressures over charges and credit terms.

Mr. Terence Walker (Lab., Kingswood) said the Bill would be widely welcomed by those working in the aircraft industry but he expressed concern and alarm about the proposed cutbacks in the Concorde workforce of the British Aircraft Corporation.

Mr. Gordon Wilson (SNP Dundee E.) said his party had no alternative but to oppose the Bill since it would take a considerable amount of decision-making away from Scotland and did not contain adequate proposals to de-centralise industrial authority away from London.

It was clear that nationalisation was not a guarantee that jobs would be maintained. What the shipbuilding industry needed was good management. Nationalisation would probably produce only more administration.

The Government already had the tools necessary to intervene and give financial assistance to industry, through the Scottish Development Agency and the National Enterprise Board. But *they had chosen the blunt instru*ment of nationalisation, bound up with State monopoly and large units with huge bureaucracies attached.

Healey wants to build on ground won by £6 policy

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

GOVERNMENT discussions with both sides of industry over the next stage of the incomes policy will begin early in the New Year, Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday.

"We are confident of reaching agreement on an adequate new wage policy in good time before the next wage round begins," said the Chancellor, stressing his determination that economic ground gained under the present £6 pay limit policy should not be lost.

"The Government has made clear on many occasions that it believes it would be a great mistake to win one battle and lose the war," Mr. Healey claimed.

The Chancellor was challenged from the Liberal benches to say clearly what the Government proposed to do to bring a continuity of policy that would provide grounds for industrial investment confidence.

Mr. Healey, who was standing in for the Prime Minister, attend*ing the Rome summit,* assured his inquisitors that Mr. Wilson and he rarely met the leaders of industry without discussing the problems of investment with them.

Improve

These discussions produced varying theories about the relative failure of British industry since the war to make adequate investment.

Studies by NEDC, considered by both the CBI and the TUC, suggested that, in fact, the so-called *stop-go policies of succes*sive Governments had been no more a *factor in discouraging* investment in this country than the policies pursued by other countries.

The investment issue was immensely complicated, the Chancellor declared, and MPs would be making a great mistake if they believed there was a single simple answer to it.

Labour Left winger, Mr. Norman Atkinson (Tottenham), called for an assurance that industry in London would receive its share of the resources the Government hoped to free for the private sector by limiting public sector expenditure.

Mr. Healey said firmly: "The Government intends to give priority to measures which will stimulate investment and improve *performance of British* manufacturing industry as a whole.

"This will require giving a lower priority to other areas of public expenditure. I hope Mr. Atkinson will give us support on this issue."

As the exchanges ended, Mr William Whitelaw jumped up from the Opposition front bench to demand to know how the Government could expect confidence from industry when it pursued such policies as the nationalisa*tion of shipbuilding and aircraft* manufacture.

Mr. Healey, looking over his glasses, maintained that it was all a matter of integrity. Mr. Whitelaw had his integrity, and Labour leaders had theirs. They could not betray manifesto policies on which they had fought and won the last election.

Far-reaching action needed on jobless

BY JOHN HUNT

MORE FAR-REACHING measures to deal with the high level of unemployment would be needed than those already announced, Mr. Michael Foot, Employment Secretary, told the Commons yesterday. "It is to these measures, as well as intermediate measures, that we must apply our minds," he declared.

The Secretary of State did not enlarge on what he had in mind. In fact, although the effect of existing measures on unemploy*ment is being reviewed, it is* understood that no new major proposals on employment are in the Whitehall pipeline for the near future.

Mr. Foot also strongly denied the recent findings on unemployment of the Conservative party centre for policy studies which is directed by Sir Keith Joseph. These had claimed that the Government monthly statistics included large numbers of people who were not employable and thus gave a highly inflated figure *for the total number of jobless.*

"It is the centre which misleads when it subtracts large numbers from the published unemployment total and says the resultant figure is the actual unemployed," said Mr. Foot.

It was quite untenable to claim that the Government figures were misleading and the centre was doing a grave disservice by trying to minimise the appalling problem the country faced. The unemployment situation was very serious and he wanted the facts to be known.

The figures from his Department related to people who registered as unemployed—a well defined basis used by successive administrations over many years. He was satisfied that this method should continue.

"The centre for policy studies is trying to pretend that the national unemployment figures could be cut by *half* by the methods they employ. That is a quite false representation of the situation."

According to Sir John Hall (C. Wycombe), many employers did not notify local Government *offices of their vacancies* and the Government figures were therefore very suspect.

An attack was launched by Mr. James Prior, "shadow" Employment Secretary, who blamed the Government for the situation. Past policies, the failure to control inflation and the so-called social contract had been in large part responsible for the level of unemployment.

He was cheered by the Conservatives as he went on: "Would it not be more honest to admit that in the election 15 *months* ago the Prime Minister went round the country saying that unemployment was under control and was likely to fall?"

More realism in EEC energy policy—Balogh

BY JOHN HUNT

BRITAIN is ready to support all constructive efforts towards a common approach to the EEC's energy problems, Lord Balogh, Minister of State for Energy, told the Lords yesterday.

It was obvious, he said, that the Community needed to increase its self-sufficiency in energy and to make plans to counteract longer term reserve shortages.

The Government had agreed to work towards a sensible Community energy crisis and planning policy which was compatible with the rules laid down by the International Energy Agreement (IEA).

He hoped that the *French* Government—the only one of the Nine not in the IEA—would see its way towards a general harmonisation of policy.

Lord Balogh, who was speaking in a debate on EEC energy policy, stressed that in all this, *the active participation of the* Brussels Commission would be needed.

He thought that recent developments in Commission energy policy thinking had shown more realism, or at least a recognition of the need for more realism. However, progress in developing an energy policy for the Community had been slow.

Currently, it amounted to a *few* resolutions outlining *general policies for the different* energy sectors and a large number of directives, regulations and decisions.

On North Sea oil, Lord Balogh recalled that the Commission had put forward a proposal for exploration projects entailing financial aid for drilling by companies on the Continental shelves of member States. This proposal was still under discussion in Brussels.

"Our position on it has not changed," he said. "We are not persuaded of the need for such a scheme, at least for the foreseeable future."

Opening the debate, the Earl of Lauderdale said that a new approach to energy policy was now emerging in the EEC. Instead of trying to suggest a theoretical policy of the centre, the Commission saw that it was better to take existing national energy plans as the starting point.

From the Opposition front *bench,* Lord Strathcona and Mount Royal said there was a need to find new uranium supplies because those available were already spoken for by existing nuclear power stations. We could find ourselves in a position where potential annual demand was half the world's total reserves.

Lord Bessborough, a European MP, hoped that there could be more progress on energy policy at this week's EEC summit meeting "although some members of our Government appear not to accept complete membership of the Community."

Foot faces Tory anger on closed shop sackings

BY JOHN HUNT

THERE HAS been "grotesque misrepresentation" in reports that workers dismissed for refusing to join a closed shop are not entitled to unemployment benefit, Mr. Michael Foot, Employment Secretary, claimed in the Commons yesterday.

The payment of unemployment benefit is a completely separate matter from the closed shop and to link the two was misrepresentation, he argued.

A bitter Commons row blew up over the issue with Mr. James Prior, Tory employment spokesman, arguing that it was yet another reason why the Trade Union and Labour Relations (Amendment) Bill with its tighter closed shop provisions, should be dropped.

Mr. Foot later issued a copy of the letter which he had sent to Mr. Paul Nicolson, general secretary of the Confederation of Employee Organisations, over the case of the six men who were dismissed from Ferrybridge power station under a closed shop agreement and who had later been refused unemployment pay.

In the letter, Mr. Foot points out that under the Social Security Act, anyone leaving his employ*ment voluntarily without just* cause or through misconduct can be disqualified from receiving unemployment benefit for up to 6 weeks. In cases of doubt, payment can be suspended while adjudication takes place.

It was up to independent adjudication authorities—the insurance officer, the local tribunal, or the National Insurance commissioner—to decide whether behaviour amounted to misconduct.

In a passage which has already *aroused controversy,* the letter continues: "A person who declines to fall in with new conditions of employment which result from a collective agreement may well be considered to have brought about his dismissal. The consequences of his refusal in terms both of loss of his job and of his possible ineligibility for unemployment benefit, must be taken into account by the individual when he decides not to accept his revised conditions of employment."

In the Commons yesterday Mr. Norman Tebbit (C., Chingford) seized on these words. He claimed that Mr. Foot, in "giving nods and winks to the tribunal which will hear the case of the Ferrybridge six," was acting in a grossly improper way.

The letter goes on to emphasise that the *insurance authorities* are fully independent and neither the Prime Minister nor other Ministers have the power to *intervene in their decisions.*

Although an insurance tribunal takes into account evidence presented to an industrial tribunal, the two bodies were interpreting different statutes. Therefore there was no reason why behaviour which led to a dismissal under the Trades Union and Labour Relations Act should be similarly construed under the Social Security Act.

The decision of an insurance officer to refuse unemployment benefit did not depend upon the provisions of the Trade Union and Labour Relations Act concerning unfair dismissal.

Mr. Foot points out in the *letter that in the Ferrybridge* case no decision on the fairness of the dismissal has yet been taken by an industrial tribunal.

The Commons row started with questions over the recent closed shop agreement between British Rail and the rail unions. Mr. Foot said that this was a matter for the parties concerned and added: "No dismissals of BR employees have yet taken place so the question of eligibility for unemployment benefit does not arise."

In view of "grotesque misrepresentation" by the *Press,* he wished to emphasise that he had no powers over decisions about unemployment benefit.

He claimed that a leader in The Times which accused him of being a Fascist had taken one sentence in the letter out of context—a method which showed "the discrimination and taste of Dr. Goebbels."

Howell talks on future of Aintree

By Michael Thompson-Noel

MR. DENIS HOWELL, the Sports Minister, stepped into the Grand National saga yesterday. He met a four-man group from the Liverpool and Sefton local authorities in London to discuss *the future of Liverpool's Aintree* racecourse after abortive talks between the Ladbroke Group and Aintree's owner, the Walton Commercial Group.

Mr. Cyril Stein, the Ladbroke chairman, last week offered to manage the 1976 Grand National meeting on behalf of Walton with a long-term view to buying Aintree.

Sticking out

But Mr. Bill Davies, Walton's chairman, who bought Aintree for £3m. nearly two years ago, appears to be sticking out for a re-sale price which would cover his losses.

Mr. Howell, concerned about the possibility that the Grand National could disappear without trace, sought yesterday to explore the technicalities of any planning permission which may be sought for the racecourse.

Mr. Davies's original plans, on buying Aintree, was to apply for planning permission for a £20m.-£30m. shopping centre on part of the Aintree property. Profits from the development, said Mr. Davies, would have helped fund a new £3m. grandstand and large sports complex.

He had already held unsuccessful *talks* with thea Horserace Betting Levy Board before the Ladbroke offer.

Fewer jobs but more seek them in Wales

ALMOST 50,000 people found jobs among 66,100 vacancies registered at Welsh job centres and employment agencies between April and November, the Government Employment Service Agency announced.

Compared with the corresponding period last year the number of people seeking jobs was up by 10 per cent, but vacancies were down by almost a quarter.

The latest figures showed that "even in hard times the jobs market was busy and moving," said Mr. D. Gwynne Evans, employment service manager for Wales.

Applications for courses run by the Training Services Agency from people registered numbered 10,600 from April to November, an increase of 40 per cent. on the corresponding period last year. The Employment Services Agency today opened its first job centre in Cardiff, the seventh in Wales and the first devoted entirely to white-collar vacancies.

Rig safety precautions

EXTRA FIRE precautions are needed on 22 North Sea gas rigs to bring them up to Government requirements, Mr. Anthony Wedgwood Benn, Energy Secretary, said in a Commons written reply yesterday.

Mr. Benn said he would extend an exemption granted to the 22 rigs to give them time to take extra precautions, which included fuller instructions on fire-fighting and round-the-clock presence of qualified firemen.

The rigs would have until August 31 next year to meet his Department's requirements.

Bank union to cut links

By Our Labour Staff

THE NATIONAL Union of Bank Employees plans to go ahead with moves designed to reduce its links with the staff associations of the big English clearing banks despite the fact that talks on a possible federation into one union are still going on.

Mr. Leif Mills, general secretary of NUBE, said a meeting yesterday with the staff associations on the possibility of a merger had not brought much progress, while a spokesman for the associations claimed there seemed to be a "real chance of some movement forward."

Mr. Mills said NUBE had approached the staff association of Barclays Bank about the possibility of merger talks, but if that move failed his union would formally withdraw from the joint negotiating machinery for non-clerical staff in that bank. In addition, NUBE would consider withdrawing from the joint *negotiating machinery for* clerical staff in Barclays and Lloyds Bank.

Lincoln theatre cuts down

LINCOLN'S Theatre Royal, which has run into a cash crisis, will stage fewer productions next year and reduce staff. The Royal has been hit by inflation and erratic audience figures.

Acting staff has already been reduced from an average of ten to eight players. Non-acting staff is to be cut from 36 to 26. Next year the theatre will give 22 weeks of live performances instead of 25.

Mr. Russell Hills, the theatre director, said yesterday that urgent talks were to take place with city and county councils on the future of the theatre.

The Executive's World

EDITED BY JAMES ENSOR

Nicholas Leslie analyses the philosophy which has made JCB a success

'Jamais contente' and team spirit

JOE BAMFORD is a man who invites very positive reactions from others—be they favourable or otherwise. As chairman and joint managing director of J. C. Bamford Excavators, he is a colourful character who enjoys a reputation for not only having built up an extremely successful business manufacturing a range of earth-moving equipment, but also as someone with strong views on how industry should be run and how government should regard it.

In 30 years the company has expanded from being a small workshop making agricultural trailers into an organisation occupying premises of nearly 1m. square feet, with sales of hydraulic earthmoving vehicles reaching around £50m. worldwide. Sales per employee are about £32,000 a year which—even allowing for any argument over the basis of calculation when comparing the figure with other companies—is very high. And Joe Bamford's views on financing must be almost legendary now—he hates borrowing money. Thus, the company has no borrowings and all expansion is financed from retained earnings.

The intense loyalty, which many afford Joe Bamford, can—outside the company—occasionally be contrasted with views that he is a difficult man to work for and is something of an autocrat. Certainly, he seeks the best and won't accommodate passengers.

30 years

After 30 years building the company, Joe Bamford is still only 59. But, given the size of the company now, it is interesting to assess whether continuation of its success is entirely dependent on him and whether he is a man who is likely to maintain tight control to the very last.

The answer is that Joe Bamford—being the person he is—will always be a dominant presence. At the same time, though, he has built up a strong management team, which includes his son Anthony, as deputy chairman and joint managing director of J. C. Bamford Excavators, to whom he has already handed over management power in large measure and he is likely to complete the handover in the near future.

This position has been achieved in a somewhat novel way, for the structure of the JCB group is rather unusual. To start with, there is no holding company. While J. C. Bamford Excavators is the closest thing to that, the organisation comprises totally separate companies, albeit with common shareholders—they being Joe Bamford and his wife and Anthony Bamford and his wife.

Says Joe Bamford: "I have always had a thing about separate companies. I don't believe in subsidiaries and there should be legislation to make all companies disclose their accounts to the public." He further maintains that the holding company/subsidiary set-up enables weaknesses to be hidden—"the inefficient should be highlighted."

Thus, all the essential elements of JCB are contained in separate entities—J. C. Bamford Excavators, which looks after manufacture, group policy and finance; J. C. B. Sales, the worldwide selling organisation; J. C. B. Service, responsible for servicing and spares worldwide; and J. C. B. Research, which is the engineering and research company.

Each must make a profit. Mr. Gilbert Johnston, group planning director, comments that when Joe Bamford started manufacturing "he knew that there were manufacturers who could show a profit at the bottom of their accounts, but that if they took manufacture to one side and service and spares to the other, for example, you might find they were not profitable in manufacturing."

There is a separate managing director for each company and they have total responsibility and freedom to run their own companies—although obviously within the broad policies and objectives laid down for the group. Apart from Joe and Anthony Bamford as joint managing directors of Excavators, there is Mr. Derek Danson as managing director of JCB Service; Mr. Peter Livsey as managing director of JCB Sales; and Mr. Derek Prime as managing director of JCB Research.

If the set-up suggests the managing directors can be constricted by the policy-making machinery, it is not such a possibility as it might have been a few years ago. This is because all of them form part of an eight-man executive committee which has policy-making and decision-taking powers. The committee was formalised earlier this year following several years as an *ad hoc* set-up which could recommend but not ratify proposals. Previously, decisions rested solely with the Bamfords.

Apart from those mentioned, the executive committee also includes Gilbert Johnston; Richard Ryeland, group finance director; and Ray Clarke, manufacturing director of Excavators. Clearly, the Bamfords must exert an unspoken influence on the committee, but it is significant that in the absence of a designated chairman, the committee's co-ordinator is Gilbert Johnston, who as planning director looking at the whole group is seen as having an impartial view of each company.

Gilbert Johnson points out that "several large decisions" have been taken in the absence of Joe Bamford who, he adds, "has over the last four or five years stage by stage handed over power."

It is difficult to extract an exact management philosophy from Joe Bamford simply because, admitting to not being able to do everything, he merely takes such steps as he feels are common sense in the circumstances. "We've got a good team spirit," he remarks, and feels management "is pretty well delegated." He feels his actions are "quite elementary" and that "basic things in running a company remain basic things."

Joe Bamford feels that much in business "comes down to asking 'Why does something happen?' People don't analyse enough. People here tend to analyse problems and with speed."—(a maxim to be found on one executive's desk reads: "Problems are solutions in disguise").

However, one of his noted philosophies is contained in his motto: "Jamais contente." He is always restless and, as Gilbert Johnston remarks, the company "develops people with the restless desire to succeed." The corollary to that, as is admitted, is that the company "must be unbearable for some people because it is always restless."

Peter Livsey sees delegation to him from the owners of his company as "almost total." He adds that "other than on major expenditure or, for example, a change in franchising policy I'm an autonomous unit." Below him, his directors and managers also have considerable autonomy and overseas they have, for example, the right to structure dealers as they want.

Richard Ryland sees JCB's financing situation as "unique." To the question of whether the company could expand twice as fast if it borrowed money he says "no" because the company has all the money it needs to achieve its possible expansion rate. He does point out, however, that for some people coming into the company it is difficult to adjust to the financial position. "It is easy for managers to think money is no object. We have got to educate them to think as if we are borrowed up to the hilt."

If there is a suggestion that the evolutionary pattern of management has been designed to provide a base for when Anthony Bamford takes over it may well contain some truth. But it is equally clear that no cushion is being provided and that he is proving to be a manager of no mean ability. He is a very different personality from his father—certainly less flamboyant—and while Joe Bamford's first love is engineering, his are the financial and marketing aspects of the business.

Now 30, Anthony Bamford spent some time after leaving school working for Massey-Ferguson in France before going on to gain a business diploma at Grenoble University. Back home again he did the perhaps obligatory course through JCB, including a spell on the shop floor. "My feeling is that I will take over the company fairly shortly," he says, pointing out Joe Bamford's concentration on design and engineering over the past few years while "the financial side and selling have been my domain for the past couple of years."

Anthony Bamford clearly has the same consuming interest in and ambition for the company as his father. "Our interests are always in building up. We are not interested as shareholders in taking out of the business. We have always had capital programmes which have absorbed all of profits."

Joseph and Anthony Bamford

Overseas

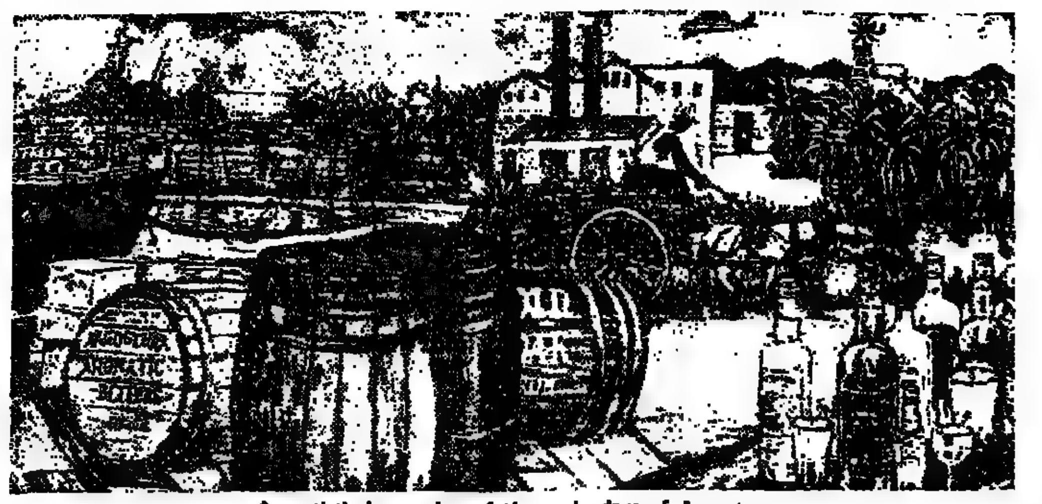
In recent years, the company has concentrated on overseas markets, partly as a result of being hit by a slump in the U.K. industry back in 1971. In October new premises were opened in France to cater for expansion both there and in French-speaking African countries.

At the Rocester works, near Stafford, when the executive committee meets on the 20th of each month it has details of all financial returns for the previous month. Says Gilbert Johnston: "I'm always looking at where we can be five years from now. We look, as part of our internal system, five years forward twice a year and 12 months forward every month. Our whole executive meeting is geared to forecasts."

Where precisely the company will be five years from now in terms of size and market penetration is, of course, anybody's guess. But the management structure to take the company through that period and beyond has now been established and it will be interesting to see what its influence produces.

David Renwick in Trinidad on a tale of bitters

In the pink



An artist's impression of the early days of Angostura.

THE GERMAN IMMIGRANT doctor who used to mix a simple herbal remedy to relieve stomach complaints among the soldiers of Latin American liberator Simon Bolivar's army in Venezuela in the early 19th-century presumbly never dreamed that his preparation would eventually become world famous.

But that is exactly what happened to Angostura aromatic bitters, which was first produced in 1824 in the little town of Angostura (now Ciudad Bolivar) in North East Venezuela, by Dr. Johann Gotlieb Benjamin Siegert, a former Prussian Army doctor.

Originally intended only for the soldiers and a few close friends, Dr. Siegert's bitters rapidly became so popular that commercial production was established. The first exports of Angostura bitters were made in 1830 to Trinidad and England and it was to Trinidad that the sons of Dr. Siegert transferred their business in 1875 because of the constantly unsettled nature of the Venezuelan political situation.

This year, the company—Angostura Bitters (Dr. J. G. B. Siegert and Sons)—is celebrating the 150th anniversary of uninterrupted production, together with the 100th anniversary of its establishment in Trinidad.

Angostura sells the major portion of its product in the U.S. and has traditionally mounted a heavy, and continuous, advertising campaign in that country. The bitters are bottled in the U.S., as well as in Canada, Brazil and a small number of other countries.

The bitters are no longer used mainly for stomach disorders (though it can be still applied in that direction) but for flavouring both alcoholic and non-alcoholic drinks—they provide the "pink" in pink gin—and for seasoning food and fruit.

Angostura's success rests on the formula used in mixing the herbs, roots, barks and other botanicals that go into the final product.

The formula has been a secret for 150 years, handed down from one generation of the Siegert family to the next. Only three people at any one time have known the secret and only two of them have been non-members of the family.

The three current custodians of the formula, which is mixed twice weekly in 8,000-gallon batches in a private room in the Angostura factory just outside Port of Spain, are Mr. Robert Siegert, non-executive chairman and great-grandson of Dr. J. G. B. Siegert; Robert's son Gordon, a director of the company; and Mr. Thomas Alexander Gatcliffe, managing director.

Plane crash

They are never allowed to travel by air together, in case a plane crash should wipe out all the formula holders. And in the unlikely event that all three should die simultaneously trustees have been empowered to gain access to the one written copy of the formula, which has been cut into four parts and lodged in various branches of Barclays Bank in New York.

The closest one can get to a description of the mixing process is that provided, in guarded terms, by Mr. Gatcliffe. "Our bitter is made from a wide variety of aromatic botanicals and herbs," he says. "These ingredients come from all corners of the world and are purchased only on the strictest specifications.

"The work of weighing and mixing takes place in a secret room from which the ingredients emerge in a closed, perforated, stainless steel basket, which is then handed over to the regular production staff who complete the manufacturing process."

The bitters are sold in about 140 countries—with the exception of the Communist bloc. But one barrier to increased sales is that in a number of countries the bitters are considered an alcoholic beverage and are taxed as such.

A constant fight has been waged to get Angostura reclassified and one of the most recent successes was in Britain in 1970, when the Finance Act of that year specifically exempted Angostura aromatic bitters from excise duty, thus enabling its price to be reduced and the product to be sold in supermarkets.

Only once in the 100 years the firm has operated in Trinidad, did the country come close to losing its unique product. That was in 1958 when Mr. Douglas Bradley, a Canadian businessman who was Angostura's distributor in New York, tried to buy out a majority shareholding.

The shares were widely distributed in Trinidad and the U.K. and the Siegert family at that stage in the company's history, did not have a controlling interest. Mr. Bradley's offer was an attractive one—22s. a share for shares then trading on the London Stock Exchange for 16s.

However, Dr. Eric Williams's Government, which had been elected to power for the first time only two years previously on a nationalistic platform, felt it could not allow what was seen as a national asset to pass into foreign hands (especially since it was Mr. Bradley's stated intention to move the company to Bermuda) and the Government itself stepped into the fight and made a counter offer of 22s. 3d., which was accepted. The Siegert family had come to an arrangement with the Government to buy back the controlling share at the same price and the company thus to the control of the Siegert family.

BUSINESS PROBLEMS — BY OUR LEGAL STAFF

Depreciation of a company car

A friend employed as a consultant is provided with a company car free of all charges. If, as is likely, a Receiver is appointed, can he dispense with my friend's services forthwith? What happens about the car?

If the Receiver terminates the contract of an employee the company will be liable for any breach of the contract committed in doing so. If, however, the company goes into liquidation his contract will automatically terminate. If the contract of service provides for a company car, deprivation of it will be a head of damage as indicated above; if not the car can be withdrawn at any time.

Perquisites under Schedule E

Instead of remuneration, Mr. A. has sole use of a company car, all running expenses being paid for by the company, though only partly used on the company's business. Is there a benefits in kind assessable on Mr. A., who is neither a director nor an employee of the company earning over £2,000?

If Mr. A forgoes the remuneration to which he is entitled it would appear that he can be assessed under Schedule E, not under the benefits-in-kind legislation, but under the general charging provisions for Schedule E purposes. Emoluments for Schedule E purposes "shall include all salaries, fees, wages, perquisites and profits whatsoever" (Section 183(1) Income and Corporation Taxes Act 1970).

Tax on Savings Bonds dividends

In my annual income tax return I declared interest on 10,000 3 per cent Bonds for the period of 37½ days, gross £30.82. I also claimed tax credit £39. sum included in purchase price of accrued interest and deducted again from the interest. The HM Tax Inspector does not agree with my interpretation, and writes: "The gross interest was £150 from which tax of £49.50 was deducted. £150 has been included in the item Other Dividends £580." I am paying tax at higher rate 83 per cent. plus 15 per cent. Investment Surcharge, so the extra tax would be considerable. What, please, is your view?

The tax inspector is right: you are chargeable to higher rate tax and investment income surcharge on the full six months' interest of £150 which was paid to you (less tax at 33 per cent.) on February 15, regardless of the fact that you had only bought the holding of 3 per cent Savings Bonds 1965-75 about six weeks before the penultimate interest payment fell due. Your misunderstanding results from the Stock Exchange practice of quoting the prices of short-dated British Government (and certain other) stocks on an unusual basis: as explained in the Daily Official List, "the amount payable by the purchaser is the bargain price *plus* an amount equal to the gross interest accrued to the date for which the bargain was done (or, in the cast of transactions done ex-interest, *minus* an amount equal to the gross interest accruing from the date for which the bargain was done to the interest payment date)." The interest calculation is merely an element in determining the consideration money, and it does not affect the respective income tax liabilities of purchaser and seller.

*

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

THE FINANCIAL TIMES

(Established 1888)

Incorporating THE FINANCIAL NEWS

(Established 1884)

Head Office Editorial & Advertisement Offices:

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.

Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London

Telex: 886341/2, 883897

For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.58.59 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 222690
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Rasiambavägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 245 Ont. 6 Charles St. E. 416 922 5575
Jo'burg: 411 Sanlam Building, Commissioner Street, P.O. Box 2128, 838 7009
Sydney: 361 Sussex Street (Cnr. Liverpool Street), Box 3808 GPO 2001 Tel: 619 817, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

WEDNESDAY, DECEMBER 3, 1975

Environmental argument

IT MAY WELL appear odd that the standing Royal Commission on Environmental Pollution should feel itself called upon to write to the Prime Minister and suggest that a full-scale fast breeder reactor should be built here in the reasonably near future. In the first place, there are certain features of the FBR which have made it a prime target of environmentalists. In the second place, the existing prototype FBR at Dounreay has experienced a long series of teething difficulties. In the third place, it seems scarcely appropriate for a body concerned mainly with environmental issues to recommend a large-scale experiment that may cost nearer £1bn. than £500m.

To make sense, the letter must be set against its background. The FBR is theoretically attractive because it is capable of producing 50 or 60 times as much energy from a given quantity of uranium as the present generation of reactors; indeed, it is probably the only way of producing the vastly-increased amounts of energy that the world is likely to require, on current projections, towards the end of the century.

Counter-blast

It was the economical attractions of the FBR which caused this country to pioneer its development. It is only during the past couple of years, since a prototype reactor became available that serious practical difficulties have arisen, and these have all arisen out of the inadequacy of peripheral equipment rather than out of the concept itself: but the French, in particular, have had such striking initial success with their own prototype FBR that Britain's lead has, at least temporarily, been lost.

The general attitude of the French is conditioned by their lack of alternative domestic sources of energy: the exploitation of oil and gas in the North Sea has made development of the FBR here seem less urgent. But decisions are being taken in one official committee and another, and there is little doubt that the possible "environmental" objections to the whole idea are—in the absence of any effective counter-blast — being given considerable weight. It is to provide such a counter-blast that the Royal Commission has intervened.

FBR experiment

The Commission's report on the general impact of nuclear energy has been delayed and it makes no attempt to anticipate its conclusions. Its argument for going ahead reasonably soon with a large FBR is based on environmental grounds. There are certain doubts and difficulties, it admits, about the FBR which can only be resolved by building a large station, together with its own experimental fuel-handling and security facilities. It is much better to start work now and overcome the difficulties in good time than to postpone it until the introduction of the FBR becomes an urgent necessity and a crash programme has to be undertaken with its inevitable mistakes and unnecessary cost.

The argument appears to be sound. The cost will be high, but much lower than that of the alternatives, and the CEGB, whatever the accounting conventions used, must be closely associated with the project as its main potential customer. Comparisons with Concorde are irrelevant: the supply of energy and supersonic passenger transport, not to mention the relative involvement of the ultimate customer, are not comparable. But the main point is that the official watchdog over the environment has now itself given the idea an environmentalist's blessing.

Faint hope in Rhodesia

THE CHANCE of a peaceful settlement of the Rhodesian constitutional conflict remains slim. Mr. David Ennals, Minister of State at the Foreign Office, who sets off for Lusaka to-night, is no doubt aware of this; even so his brief will be to do all that a British Government can to encourage the co-ordination of policy towards Rhodesia by the Presidents of Zambia, Tanzania and Botswana, who are the black leaders of the "détente" policy in southern Africa. It has to be said that these leaders are themselves sceptical about the chances of achieving majority rule in Rhodesia without the use of force. President Nyerere has just been making this plain during his visit to London.

Better terms

This scepticism will be only partly allayed by the agreement just concluded between the Rhodesian Prime Minister, Mr. Ian Smith, and Mr. Joshua Nkomo, leader of his own wing of the African National Council. The declaration of intent to negotiate is a welcome step, but it is no more than that: negotiations are another matter. The declaration itself would have been signed at the recent Victoria Falls conference if the three leaders of the African nationalists had not been divided among themselves, and if Mr. Smith had been willing to agree that all representatives of the Africans could visit Rhodesia without fear of arrest. That Mr. Smith has accepted as much now is partly due to pressure from the South African Government, and partly due to his belief that he can get better terms from Mr. Nkomo than he would from either of the other African nationalist leaders.

In this Mr. Smith may be mistaken. Mr. Nkomo knows well enough that there are strict limits to the deal he can reach with the Rhodesian Government, if he wants the deal to stick. Anything he does would have to be endorsed by the Presidents of Botswana, Zambia, Tanzania and possibly Mozambique—not to mention the British Government. From the Africans' point of view this means no less than black government in Rhodesia within a year or at the very most two years of the signing of a new constitutional agreement. Without the endorsement of the neighbouring African Governments Mr. Nkomo would have great difficulty in retaining his own following inside Rhodesia: everything would come to naught.

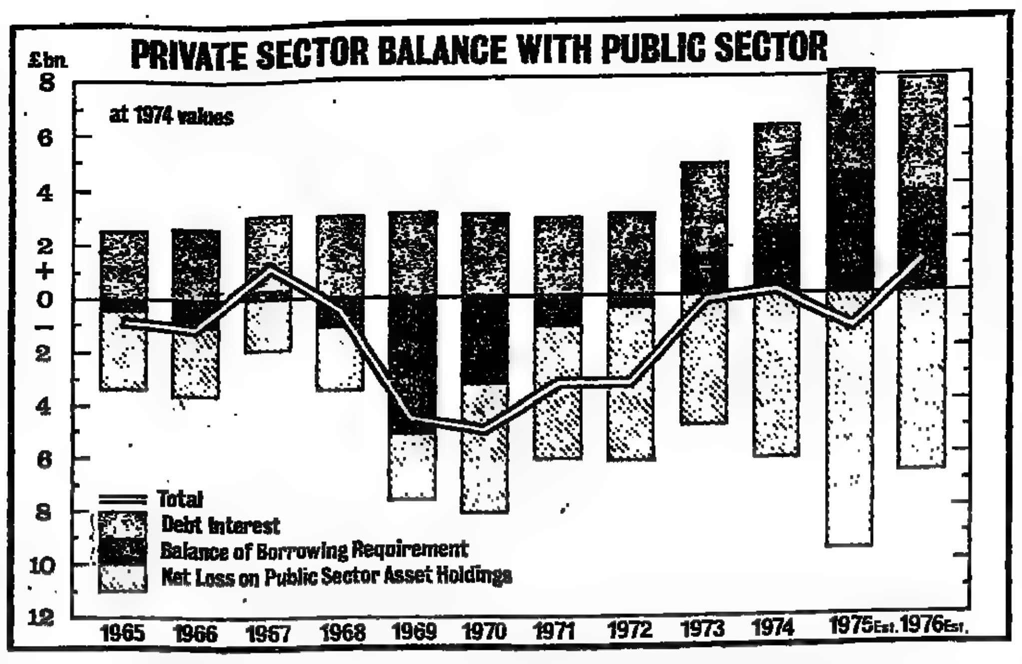
What is not yet known is whether Mr. Smith is willing to accept the logic of this situation. He has given no sign in any past dealings that he is, and it could be said—harsh though the consequences may be—that he will not give way until he has to. If the power that forces his hand turned out to be pressure from South Africa, Mr. Smith would still have the task of taking his white Rhodesian supporters along with him. So far no psychological preparation for such a change in their circumstances has been made—in this Mr. Smith has not even begun.

Pressures

These realities are discouraging, but they remain part of the problem that has to be solved if further bloodshed is to be avoided. The reasons for hope remain the same as ever. The South African Government is committed to its policy of "détente" with its black neighbours; this means urging Mr. Smith to reach a peaceful settlement. The black Governments are in varying degree as committed on their side — President Kaunda of Zambia perhaps most of all. The outside pressures on the leaders of the black and white communities in Rhodesia are for the present all in favour of a rational outcome. But the internal problems continue to seem insoluble.

Making the State account for inflation

BY ANTHONY HARRIS



WHEN Mr. Peter Shore gave the Government's reaction to the Sandilands report last week, he announced, among other things, that the new system would not be used in presenting the accounts of the nationalised industries. Since he conceded that current cost accounting would present a more realistic picture of the economic performance of companies, it is hard at first sight to see why nationalised corporations should be different; and there is certainly no doubt that the existing accounts of the nationalised industries present a highly misleading picture.

However, there is one absolutely vital difference between nationalised and private concerns: the nationalised industries have no equity capital. The whole philosophy of Sandilands is that the first charge on a company's earnings should be to set aside enough money to maintain its fixed and working capital. A nationalised industry, on the other hand, owns nothing: its capital is all borrowed. It is therefore arguable that as long as its borrowings do not outrun the current value of its capital, its balance sheet is still sound. This implies in turn that there is nothing wrong with expanding its borrowing in line with the falling value of money.

Heart of the argument

This notion is, of course, at the heart of the argument which is still going on about the treatment of monetary liabilities in inflation accounting. The accountants, with rather clearer economic logic than Sandilands, have always insisted that the falling value of its debts is a gain to the borrower which should show up in inflation-corrected accounts: that is to say, any borrowing which simply maintains the real value of total debt is not borrowing at all, and any drop in real value is a "net gain on monetary liabilities."

The criticism of this view, from Professor A. J. Merrett and others, has rested mainly on the fact that companies do not see things like this; nor, more important, do their bankers. Borrowing to maintain the real value of debt — or, in the new formulation suggested by Mr. Wynne Godley, to maintain the gearing ratio — is not regarded as a normal adjustment for inflation, nor is such borrowing always possible: to regard borrowing of this kind as "profit," or in any sense as a normal source of finance, is imprudent and misleading. At most, such "gains" should be recorded in a footnote to the accounts showing the underlying gain to shareholders — the fact that as the real value of the liabilities of their company falls, they own a steadily larger proportion of the total capital. This is the counterpart of the loss — also relegated to footnotes, if it is noted at all—suffered by lenders as inflation erodes the value of their assets.

Now this may or may not be the most realistic way to treat the accounts of private companies; but perhaps Mr. Shore has a point when he says that it is not appropriate to State industries; and what is true of State industries may well be true of the State itself.

It seems at first sight that the most appropriate way to adjust the public sector accounts for inflation may centre on the one adjustment which Sandilands rejected for the private sector—to take account of the net gain on monetary liabilities.

To adjust the current accounts of the public sector for changes in the value of money presents no problem at all. It is simply a matter of re-writing any monetary series you wish in terms of money of constant purchasing power (the CPP adjustment of the Chartered Accountants).

Appropriate index

The main difference from the familiar CPP method lies in the choice of an appropriate index. The retail price index is certainly not an appropriate measure, since it includes indirect taxes, and these are not a cost to the public sector which collects them. An index of public sector purchases would give a "volume" or Sandilands-type index: but for a cost index —a measure of the resources used by the public sector—the GDP factor cost deflator is probably the most appropriate index.

TABLE 1

REAL PUBLIC SPENDING

(In 1974 £bn.)

	Goods and services	Transfers etc.	Interest
1965	11.34	6.28	2.73
1966	11.87	6.45	2.80
1967	12.77	7.36	3.00
1968	13.11	8.09	3.24
1969	13.23	8.13	3.35
1970	13.82	8.22	3.26
1971	14.27	8.16	3.05
1972	14.71	9.02	3.05
1973	15.23	9.47	3.36
1974	16.64	11.11	3.73

TABLE 2

PUBLIC SECTOR BORROWING

	In current £bn.	In 1974 £bn.	Increase in debt, 1974 £bn. during year
1965	1.2	2.3	−0.8
1966	1.0	1.7	−1.1
1967	1.8	3.3	1.2
1968	1.3	2.2	−0.3
1969	−0.3	−0.8	−3.4
1970	—	—	−5.1
1971	1.4	1.9	−4.2
1972	2.1	2.6	−3.2
1973	4.2	4.8	−0.1
1974	6.3	6.3	−0.9
1975*	11.0	9.0	−1.5

* Estimate

The three main components of public spending are shown in Table 1 in CPP terms up to 1974, in terms of 1974 purchasing power.

The question of the public sector's net gain on monetary liabilities is a more difficult one, both intellectually and as a matter of measurement. First, two questions are raised: does the public sector tend to regard this net gain as income? This can be rephrased: does the public sector on the whole consider it normal to borrow more every year, as inflation devalues the sums borrowed? The best test of what people believe is not what they say, but what they do; and on this test the public sector does, broadly, treat this notional "gain" as spendable income.

What this means is simply that the Treasury, in fixing the borrowing requirement for each year, looks at it as a proportion of money GNP (and this is also the language Mr. Denis Healey recently used). If the Treasury ever worried about the total value of outstanding public sector debt (though there is little evidence that it does) it would probably use the same yardstick — though as a matter of fact the total public sector debt has been *falling* — in real CPP terms and, still faster, as a proportion of GNP — *for many years.*

However, this is not the only problem. The size of the public sector deficit is fixed mainly in an effort to control the total of demand in the economy: public borrowing, by mopping up savings which would otherwise lie idle, and by permitting monetary expansion, is a stimulus. But can the public sector be said to have borrowed in real terms in a year in which the total of its debt falls in real terms? Accountancy says "No;" this is the real reason why the gain on monetary liabilities has to appear in the accounts as income. If it were not treated in this way, the adjusted balance sheet could not be married to the income accounts.

Economic management, on the other hand, is not concerned with neat accounting concepts, but with human behaviour. The question therefore arises: do the holders of public sector debt behave as if its falling real value were a drain on their income? The answer is probably: yes, to some extent. The strong association recently discovered by John Forsyth between the falling real value of personal liquid assets and the rise in personal savings is a possible clue (the Bank of England *is* exploring a whole range of possible relations between changing real wealth and savings behaviour). It is certainly true that pension funds and insurance companies —some of the biggest holders of public sector debt — have to adjust their current premium demands to reflect the changing real return on their investments. Broadly it is certainly true to say that falling asset values will restrain spending.

It would be nice to be more precise, but it is very doubtful whether it is possible, because of the sheer difficulty of measuring the loss of value of public sector debt *in the hands of holders* (The GDP deflator may be a fair measure of what the public sector could buy with the money it would take to redeem its liabilities, but holders are concerned with future realisation values.)

Market value ought to offer a discounted present value of market holdings, but varies so widely during the course of a year, and is so much influenced in the short term by changes in official monetary objectives, that it is not a very practical index. Again, the deflator in the hands of private holders should probably be a cost of living index—but a special index for the retired (those who normally draw down their savings) might be more appropriate than the CPI.

Not strictly measurable

However, given the fact that the income effects of falling capital values are themselves debatable and not strictly measurable, it seems possible to take a short cut: to preserve the accounting identities, and assume that what is income in the hands of the public sector, through the net gain on monetary liabilities, is a loss of income to the private sector. This is not because this is the "right" measure, but because it is impossible to measure how wrong it is. It has a certain plausibility, because it certainly understates the loss experienced by holders: the CPI tends to rise faster than the GDP deflator, and market values have fallen far further than the purchasing power of *nominal* public sector debt.

What is the effect of what is, despite this long explanation, a rather simple adjustment? Properly done it could, I believe, be as big a step forward in the realistic presentation of economic figures as inflation accounting will be for companies. Let us first look at the public sector from its own point of view: Table 2 presents three views of public sector borrowing. The first is the figure reported year by year. The second presents the same figures in constant purchasing power — and tells us very little. The third abandons the idea that income and capital accounts can be kept quite separate and present "borrowing" in terms of its result — the increase, if any, of the real value of total debt. ("Debt" here includes *all* public sector financial liabilities — notes and coin, and all other liabilities of Government, local authorities and corporations.)

The series for "real" borrowing — which is the reported borrowing required (in 1974 £s) *less* the net gain on monetary liabilities — seems to reflect economic experience. It is strongly positive only in one year — 1967, when we were "blown off course." It is strongly negative in the years which felt "tight" — 1969-72 and 1975.

Similar figures

Some rather similar figures are presented in the chart from the point of view of the private sector, but in somewhat more detail, and in clearer "income" terms. The borrowing requirement is split into two—the money required to pay interest on the estimated holdings of the private sector (for not all public sector debt is held by U.K. citizens and companies), and the rest—the balance (positive or negative) left over for "real" spending. The third element is the net loss on holdings of public sector financial assets by the U.K. private sector (measured as the U.K. share of the total public sector gain on financial liabilities). The pattern is very similar: as an experiment I have *projected* the figures to 1976, assuming slower inflation and an unchanged nominal borrowing requirement, with rather encouraging results.

This is only a very rough first try at a job which requires detailed information and much computation to do accurately: it looks as if the attempt might be worth while. It not only gives a quick economic indicator, but draws attention to other issues and other questions. Should the State persistently defraud its creditors? Is it helpful to record in the national accounts interest which is negative in the hands of holders as "*income*" or "expenditure"? Is it not rather confusing to record "borrowing" in figures which mean that two and two add up, in real terms, to minus four? I suggest that neither the policies nor the figures are altogether honest or instructive. It is not only companies which might learn a great deal from inflation accounting.

MEN AND MATTERS

Watney test expanded

Two months ago I revealed that Watney Mann responding to prodding from Campaign for Real Ale and perhaps suspecting that there really is still a market for beers which are not pasteurised and are therefore still maturing in the barrel, was quietly testing "real beer" in six of its London pubs. Now, encouraged by results, it is expanding its programme of test marketing to 150 pubs in the London area. (The number could be sheer chance, but it is interesting that the company is quick to point out that the two independent London Brewers—Youngs of Wandsworth and Fuller Smith and Turner—each have less than 150 outlets—although in the case of Youngs it is a close run thing.)

The Watney real ale will be called "Fined Bitter Brewed by Watneys." will be stronger than other draught bitters, and will also be more expensive. Prices will vary around the 30p a pint mark making it a couple of pence more expensive than the keg beer Watneys' Red, and 4p to 5p more than ordinary bitter.

The extension of the experiment from 6 pubs to 150 is a substantial step, but to keep it in perspective the group has roughly 1,500 outlets in the area of Greater London served by its Mortlake and Whitechapel breweries. The only criterion for choice of outlet will be the ability of the staff and suitability of cellar to handle real beer—which needs considerably more attention and specific cellar conditions than beer which is no longer maturing—and will therefore cover all types of pub.

For that reason alone it would not be possible to put the new beer into all the 1,500 outlets no matter how successful this latest stage in testing. But at least Watney has now returned to a policy of making real ale for the London market —which it dropped as far back as the early 1960s, although some regional companies in the group have continued to produce it locally around the country.

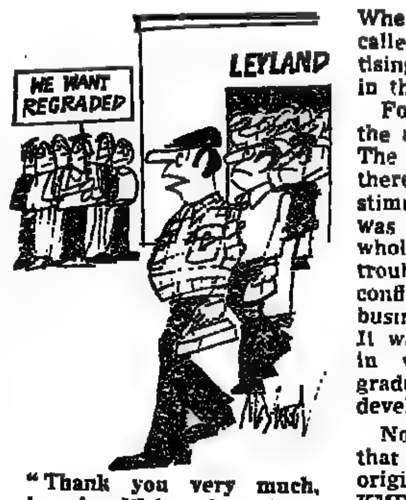
Technical constraints apart, the degree to which Watney will expand availability of its new beer in London and the home counties will depend on customer reaction. As a Watney spokesman put it yesterday, "We are now out of the realm of research and into the realm of the market. It is now up to our customers to vote with their pockets."

Spot off?

We all know that things are bad on the economic front, but George Allen, professor of agricultural economics at the University of Aberdeen rather shook his audience at the annual conference of business economists in London yesterday when he told them that sunspots and volcanic dust were having an effect on confidence.

This apparently far-fetched explanation of economic ills is far from new. One of the many theories put forward to explain the trade cycle was that of William Stanley Jevons, a 19th-century English economist who related the cycle to agriculture and agriculture to sun spot activity in which he thought he had detected a ten-year cycle.

According to Encyclopedia Britannica, "His naive explanation could not long withstand critical examination. It had a certain interest, however, in suggesting a casual factor that was completely detached from the economic system and one that could not be influenced by it in turn." Sounds exactly like the sort of explanation that a lot of politicians are currently searching for.



"Thank you very much, boys! We've just been regraded: 'laid off.'"

KM loses PH

Remember Kingsley Manton Palmer, or KMPH as it later became? To-day it is the publicly quoted advertising agency Kimpher which came to the market—never an easy thing for an advertising outfit to do —back in 1969.

The group was ideal for the "swinging sixties." Named after the trendy trio which formed it—the "H" was added in 1965 when Len Heath became the fourth power in the business —it was KMP which dressed all its secretaries in Regent Oil tee shirts and so impressed the company that it won that account. When the English dairy men called to discuss butter advertising there was a cow on call in the KMP car park.

For five years it seemed that the agency could do no wrong. The partners shared an office, there was a juke box to help stimulate thought, and KMPH was the trend setter for the whole industry. Then however troubles began as the inevitable conflict between creativity and business practice hit the agency. It was badly mauled in a run in with John Bentley, and gradually the partners began to develop outside interests.

Now it has been announced that Kimpher is to lose its original P and H from the KMPH grouping. Palmer has made it known that he will leave at the end of the year, and Heath is also going. Palmer is now a managing director at Youngs Brewery and intends to concentrate mainly on that, while Heath hopes to set up his own marketing services business along lines similar to the division that currently forms part of Kimpher.

Different world

The Smirnoff Vodka advertising campaign has, apparently, been good at selling the product. It is a moot point however whether it has been even more successful as a source of graffiti. I have seen many items along the "I thought . . . until I discovered Smirnoff" theme, but was particularly impressed with one at the Bull's Head at Strand on the Green which is near Beecham Group's head office. It said simply, "I thought that a brand manager was a cowboy with a hot iron until I joined Beecham."

Observer

Britain's paper industry, suffering the worst depression it has known, had one immediate further threat lifted from it with this week's Government pledge that duty-free imports from our former EFTA partners will not rise significantly next year. But a totally free market is on the way and, even with a recovery in demand in sight, the future could be bleak. **Lorne Barling** explains why

Troubles down at the paper mills

BRITISH paper makers, who have endured one of the industry's worst-ever depressions in the constant hope that recovery is just around the corner, are now confident that a slow build-up in demand will begin in the first half of next year. Yet for many companies this could be the beginning of new problems.

The industry, which has been running at little over half its capacity in recent months, is estimated to require about £50m. in working capital to return to full production. With depleted cash reserves, a number of mills will be hard pressed to find the necessary finance for raw materials and other requirements.

Timing

As a result, the timing of the predicted recovery is crucial. The industry is well aware that during the hectic days of 1974 their customers, fearful of shortages, built up stocks far in excess of their real requirements. Since then, the same customers have drawn on stocks to meet their needs rather than placing new orders making a bad slump even worse.

It is clear that many users of paper and board products have reduced their stocks to an absolute minimum to help overcome their own cash-flow problems, and are now ordering supplies at the last minute. But what overall stocks stand at is impossible to determine. Thus any estimate of the speed of recovery is extremely difficult.

Most major companies believe that, although demand will build up next year, the recovery will in any case be slow and painful, with overall production in 1976 only at around the level of 1973.

In the meantime, the underlying fear is that the so far successful efforts of the industry to maintain prices will not last. Already, Canadian newsprint producers are effectively reducing U.K. prices by about £5 a tonne, and there has been some unofficial undercutting in other grades.

The need to keep prices up is clear. Substantial increases were imposed by paper companies in 1973 and early last year, prompted largely by Scandinavia, which can control both pulp and paper prices to the disadvantage of their European competitors. (The U.K. industry, of course, has had the additional problem of the Price Code to contend with.) By now, their effect on profitability has been eroded very considerably by inflation, particularly in the U.K. On top of this has been the fact that pulp prices have been quoted in Swedish Kronor or U.S. dollars. The decline of the value of sterling has thus increased U.K. producers' raw material costs, while there is serious concern that paper imported into Britain from pulp supplying countries has not reflected these increases.

Believe

Such movement goes right against what industry leaders believe the industry needs for a secure future. People like Mr. Tom Corrigan, chairman of Inveresk and this year's president of the British Paper and Board Industry Federation, feel that the stability of paper prices depends largely on their balancing relationship to pulp prices. This, Mr. Corrigan suggests, is likely to be crucial as Europe progresses towards the duty-free market due to come into full operation in 1984.

U.K. PAPER IMPORTS
('000 tonnes)

SECTOR	1963	1968	1974
Newsprint	54.5	57.1	111.1
Printings/ writings	4.4	16.4	46.7
Kraft wrappings	32.6	57.3	79.3
Tissues	3.3	3.9	5.9
TOTAL	108.9	161.4	275.0

Source: Dept. of Trade

WASTE PAPER USAGE

Country	Recovery rate (%) 1963	Recovery rate (%) 1974	Consumption rate (%) 1963	Consumption rate (%) 1974
Canada*	14.9	19.3	3.2	6.5
Sweden*	20.8	27.7	4.8	6.3
U.S.†	21.0	24.8	24.4	23.0
Japan†	38.8	42.4	36.1	35.4
Netherlands†	33.5	47.2	22.7	43.9
U.K.†	27.5	30.8	34.0	47.7

* Net exporters of paper products. † Net importers. Source: FAO May 1975

Any hopes of shielding the U.K. industry through the EEC Common Customs Tariff, which introduced a quota system for duty-free imports from former EFTA countries, has been largely negated by recent events. The 1975 quota levels were calculated on the basis of the 1974 boom, with the result that they were far higher than the industry would have liked. For next year, the industry has sought to keep quotas at present levels and the Government is expected to announce next week that there will be only minimal overall increases, in keeping with a statement on Monday by Mr. Gerald Kaufman, Parliamentary Under-Secretary for Industry.

A possible answer to the problem caused where countries export both pulp and paper to the U.K., Mr. Corrigan believes, is for both to be quoted in the same currency. But he also admits that, until there are fixed exchange parities, or at least a more stable relationship between the pound and the dollar, the difficulties are likely to continue. In the interim, he suggests, all pulp transactions should be in dollars.

Although the profits earned by the big Scandinavian pulp and paper companies in the recent past are regarded by some as embarrassingly large, both the producers of pulp and their customers are aware that one good year cannot generate the huge sums of capital required for investment. The Scandinavians' position was well summed up recently by Mr. Laurie Kirves, managing director of the Central Association of Finnish Forest Industries, when he said: "The scope for corporate self-financing is based on the development of selling prices and the cost trend. As there is no cause to be very optimistic about a slow-down in cost inflation in the next few years, we are left with considerable pressure on product prices for investment opportunities."

This means, in effect, that, despite the considerable surpluses of pulp in Scandinavia at present, British papermakers can expect little relief on raw material prices from that source. Furthermore, without some relaxation of the Price Code, or at least more flexibility, the British industry's chances of generating sufficient capital to avoid further contraction are becoming progressively more remote.

With a number of companies now struggling to keep their heads above water, any unexpected upturn in demand could leave them unable to accept extra business because of a lack of working capital. The upshot would be another round in the vicious circle in which the British industry's contraction allows foreign competitors to increase their U.K. markets, thereby creating further contraction.

The extreme case is the newsprint sector, in 1970 supplying half the U.K. market, but now accounting for little over a quarter. It has, in addition, been severely affected by the dramatic slump in newspaper advertising, despite discussions with publishers aimed at maximising the use of U.K. products, and it is clear that its future is linked to the use of de-inked waste paper. Both Bowater and Reed, the two major producers, have invested heavily in processing equipment, with Reed intending ultimately to bring waste usage up to 80 per cent. of its newsprint raw material input.

Mr. Cyril Warmington, deputy managing director of Reed Paper and Board U.K., is nevertheless pessimistic about prices, at least from the consumers' point of view, pointing out that from £58 a tonne in 1957, newsprint has risen to a present level of around £175. He predicts that it will approach £400 a tonne by the early 1980s, a forecast which gives added urgency to the newspaper industry's present cost cutting attempts.

Similarly packaging board makers have progressively reduced their dependence on imported raw material, drawing more and more on substantially cheaper waste paper wherever possible. Thames Case, the Unilever subsidiary, for example, has reduced its imports of fibrous raw materials from 34 per cent. of its total raw material mix last year to 25.4 per cent. so far in 1975.

The printings and writings sector, which has no escape from the "scissors" movement of countries producing both pulp and paper, perhaps has most to fear. It is virtually a captive market for foreign pulp producers, unable to turn to waste as an alternative, because of its high quality requirements. Imports have made heavy inroads in this sector. But even the manufacturers of speciality papers, such as those for cables or other industrial uses, have not escaped the economic difficulties, although their problems often stem directly from falling demand rather than greater competition. The one outpost of the industry which remains consistently profitable — although only just —is the manufacture of tissue. Significantly it is also the only area where there has been any consistent capital investment in recent years.

Setback

Overall, although the Scandinavian policy of using domestic pulp supplies to produce cheaper paper—at integrated mills—has received something of a setback in the recent downturn, it is clearly a severe danger not only to the U.K. but to the European industry.

On the technical side, advances in the past 15 years have meant that the economically desirable size of pulp and paper mills has doubled. The reduction of unit costs stemming from this will continue with the help of further technological advance, particularly in the field of waste treatment.

As Reed's Mr. Warmington pointed out recently, the degree to which pulp prices—market pulp prices in particular—rise at a faster rate than finished products will largely influence the economic attractiveness of waste as a replacement for pulp. In addition, the price of waste is likely to have an increasing influence on the price of pulp.

Given that many paper companies will eventually have to make a commitment in terms of investment, or indeed non-investment, in securing raw material supplies from one source or another, the limited capital available will have to be well spent if the future of the industry is to be secured. It would appear from the actions of one of the market leaders, Reed, that money spent on improving capacity to use waste paper is unlikely to be regretted.

On the other hand, many companies committed both by tradition and equipment to produce higher grades of paper have little choice but to continue along the same path, remaining vulnerable both to pulp price rises and competition from integrated pulp and paper makers overseas.

Although paper and board output in the U.S., the world's biggest producer, during the first nine months of this year was down by 20 per cent., representing a staggering 35m. tons, there is little doubt that the market is recovering. If this recovery is not halted by a soaring inflation rate in the U.S., the results will soon be felt in Europe. But the effects in the U.K. are likely to be less profound in the short term and, for reasons already touched on, this may be no bad thing for the industry in terms of capital requirements. But unless it can be geared up in the longer term to compete on equal terms, any upturn in demand could serve to spotlight its shortcomings.

Letters to the Editor

Support growth industries

From Mr. Austen Albu.

Sir,—The current debate on the Government's industrial strategy takes too little account of the nature of the market for a nation claiming a standard of living comparable to that of the most advanced nations in the world. It is the added value in a product that represents the higher incomes of its producers and there is convincing evidence, based on research done at NEDO and Sussex University as well as on independent observation in a variety of industries, that over a very wide field British goods are of lower unit value than those of their international competitors. This is particularly so in machine building, essential both for investment and export. It is evident when the statistics are disaggregated for almost every individual type of machine.

What this means is that British engineering goods are less sophisticated than, for instance, those of Germany; with the exception of aircraft engines which the Germans were forbidden to manufacture for some years after the end of the war. Studies of, for example, the machine tool industry show that the value per ton of our exports is much lower than the value per ton of our imports; in other words, we sell bulk and import sophistication. This is the recipe for becoming an underdeveloped country and, if the trend goes on and we continue to try to give ourselves the standards of living of a highly developed one, we will continue to experience a rising rate of inflation.

The problem of where and how to switch resources into the manufacture of marketable products is infinitely more complicated than is recognised by the economic and political establishment, the members of which are incapable of recognising the fact that for many years much of British industry has been becoming less and less technically competitive. The reasons for this lie deep in our social and economic history and have led to an attitude towards industry and towards engineering, on which all industry is based, which discourages the brightest and most enterprising young men and women from choosing them as careers. The present state of the engineering schools in our universities and polytechnics bears witness to this attitude and can only worsen the present trend. Another factor which will make it more difficult to reverse the trend is the decline over the last two or three years of expenditure by British industry on research and development while our overseas competitors are raising theirs.

It is to this basic problem that the Government's industrial policies must be directed over the next few years. It is clear that until the trend is reversed there can be little rise in personal incomes or public non-marketable expenditure. Certainly the resources devoted to investment must be increased because a change in the nature and quality of the products we produce, apart from any increase in productivity, will need them. It is unlikely that a market solution will be adequate by itself to effect the necessary changes fast enough: although a lasting solution which took no account of the problems of unit value would only make the situation worse. Whatever argument there may be for protecting and supporting infant or technically advancing industries, there is none for supporting senile ones. The truth is very unpleasant but for too long it has not been faced. The way out will be hard, but perhaps we now have a last chance.

Austen Albu.
17, The Crescent,
Keymer,
Hassocks, Sussex.

No silver spoons

From The Chairman, Grundy (Teddington).

Sir,—Where are all the silver spoons that management is accused of trying to keep in their mouths?

My experience in a number of manufacturing companies is that management is comprised of individuals with ability, ambition and a dedication to their job, and that it is these three qualities which lead to their promotion to managerial positions. Generally one can say that the average employee lacks one or all of the foregoing criteria, and that usually is the reason why he is not selected for management. Although I am a great believer in worker participation, I cannot equate the foregoing with employee directors.

The fact that there is a shortage of good management is no doubt due to insufficient rewards to stimulate ambition, and a brain drain to countries which realise the importance of incentives.

S. W. Grundy.
Somerset Road,
Teddington, Middlesex.

Savings on the import bill

From The Managing Director, Material Recovery.

Sir,—Mr. Ray Lane rightly comments (November 27) that the virtues of recycling packaging include a saving of foreign exchange and the easing of refuse disposal problems. The viability of any recycling scheme, however, must be judged on whether or not a net total resource recovery is achieved for the nation. For example, it would be uneconomic if more fuel was spent on the collection and conversion of the waste than the savings made on our import bill.

My company has been formed by Metal Box, British Steel Corporation and Batchelor Robinson to assess the economics of recycling cans from household waste back into prime steel scrap, tin and aluminium by latching on to the very efficient local authority waste collection service. We are currently installing separating and cleaning plant at Tyne and Wear County Council's refuse transfer station at Benwell in Newcastle and hope to give first indications of the plant's viability in the summer of 1976.

We estimate that a successful nationwide scheme could produce an import saving of around £13.5m. per annum and would reduce the amount of waste moved by a local authority from the transfer station to the land fill up to 17 per cent. by volume.

K. Dudley.
Queens House,
Forbury Road,
Reading.

Management consultants

From the Managing Director, Marketing and Manpower International.

Sir,—Mr. R. J. McGarel-Grove's letter (November 19) does a great disservice to those consultants who are not members of the Management Consultants Association. It infers that only those companies who are members are professional, competent and reputable.

The stringent membership requirements to which he refers includes, among other things, a provision as to size and more particularly that at least 80 per cent. of consulting staff should hold degrees or equivalent qualifications. There are many small consultancies staffed by highly competent managers with years of experience, able to bring a realistic, practical approach to to-day's business problems. This is readily recognised by many major national and international companies.

Finally, I understand that one of the big consultancies has recently left the MCA. Does it now become less professional, competent or reputable?

R. K. Hart.
39, Baker Street,
Weybridge, Surrey.

No speaking clock

From Mr. L. Cosky.

Sir,—The speaking clock lives; Mr. Young (November 29) can rest in peace. He'll have a bit of a job finding one because they are no longer imported.

If my memory serves me, such a device was conceived and marketed and not only did you get a clock, which talked to you, on demand, but an FM and AM radio as well. It could be instructed to tell you the time hourly even if you were listening to the radio at the time. All that happened was that BBC faded gracefully while a polite Oriental lady reminded you that you were late, early or whatever. There was even a foot switch for remote control of one function.

They didn't catch on like calculators and digital wrist watches; the price approached £100 over two years ago and that may have been one of the reasons. If you really want to hear how the sands of time are running out, how about a noisy egg-timer?

L. Cosky.
Management Electronics.
254-256, Old Christchurch Road,
Bournemouth.

Alcoholism defined

From The Medical Director, Alcohol Education Centre.

Sir,—In his reply "Facts needed, not anecdotes" (November 20) to Bob Crew's article on "Lubricating the Boardroom" (November 17), Dr. Beric Wright understandably asks for "a useful definition" of alcoholism. May I offer my services as an honest broker in this transaction to suggest the following definition?

Alcoholism is the intermittent or continual ingestion of alcohol leading to dependency or harm. Dependency is now regarded by the World Health Organisation as a need to go on taking the drug to avoid the mental discomfort (psychological dependency) or the physical symptoms (physical dependency) which follow its withdrawal. Harm is usually regarded as interference with mental or physical health or of social adjustments which last, of course, includes competence at work.

D. L. Davies.
The Maudsley Hospital,
99, Denmark Hill, S.E.5.

Inflating inflation

From Mr. W. Grey.

Sir,—Mr. W. B. Miller (November 28), condemning the current vogue for inflation accounting as a distraction from the overriding need to eradicate inflation itself, is to be warmly applauded.

The debate about inflation accounting is, for the professionals, doubtless enormous fun, but its progress has left the rest of us probably more bewildered than ever. What its protagonists, unlike Mr. Miller, do not appear to realise, moreover, is that, by making inflation easier to live with, you inevitably help to perpetuate it. Instead, with better management and a bit of luck, the whole sorry business might be ended by the time an agreed inflation accounting machinery was got ready to be wheeled into action.

Besides, unless we manage to persuade others to sweep inflation under the carpet with equal proficiency, they will continue to run rings round us, postponing still further the day when an inflation-proof pound can look the rest of the world in the face. Is this what the advocates of inflation accounting want? And have they considered the possibility that more "realistic" profits on past trading might make those on new capital investment —on which our future largely depends—more, rather than less, difficult to assess in advance?

W. Grey.
12, Arden Road, Finchley, N.3.

Exchange controls

From Mr. M. Turner.

Sir,—Mr. Samuel Brittan (November 20) deserves the highest praise for his exposure of the shortcomings of exchange control. Although every international banker worth his salt knows that the regulations are nothing more than barnacles, and highly dangerous ones, on the wheel of progress, few give expression to their inmost convictions.

In this respect, the position of the Bank of England deserves the closest attention. Because of its present position as a tentacle of the state octopus, the Bank merely acts as administrator for the irrational absurdities of the minutiae of the regulations. Its proper role is to adjudge and represent to Government the feeling in the City as to the wisdom or otherwise of constraints on trade.

It is difficult to examine the U.K. exchange control regulations dispassionately. One's gorge rises at the monstrous folly and waste of the whole futile exercise whose chief characteristics are that it (1) invites reprisals (2) keeps out of the country much that would otherwise be repatriated (3) drives legitimate business to other financial centres such as Zurich and Johannesburg (4) acts harshest on the small honest man, who may not be well advised, and (5) is a savage blow to personal freedom. Just dwelling on the practical as well as the moral aspects of the last feature, it is well to recall that Montesquieu wrote "countries are well-cultivated, not as they are fertile, but as they are free."

There can be no question that in the international banking and business world exchange controls are the real villain of the piece. Authorities from Professor Machlup downwards have observed that the future growth of foreign trade and investment will depend on the elimination of controls. Now that Mr. Brittan has performed his valuable public service in pointing out that Emperor exchange control wears no clothes, let us hope the tide of informed public opinion will sweep aside these irrelevant, harmful, and dangerous vestiges of outdated thinking which flourish in totalitarian countries but which deserve no place in the U.K.

Michael D. K. Turner,
11, The Close, Montreal Park,
Sevenoaks, Kent.

To-day's Events

GENERAL

Prime Minister sees Sir Rodney Smith, president, Royal College of Surgeons, to discuss industrial action by consultants and junior doctors.

Leaders of breakaway Junior Hospital Doctors' Association meet Department of Health officials on overtime pay bill.

National Economic Development Council monthly meeting.

Parliamentary Labour Party ends two-day debate on devolution White Paper.

EEC Council of Ministers meets on Community Budget, Brussels.

Mr. Denis Healey, Chancellor of Exchequer, speaks at Institute of Export dinner, Connaught Rooms, W.C.2.

CBI Employment Policy Committee meets, London.

Prime Minister gives Blackett Memorial Lecture, Imperial College, S.W.7.

Mrs. Barbara Castle, Social Services Secretary, gives Nye Bevan Memorial Lecture, Oxford University Labour Club.

Sir Derek Ezra, NCB chairman, gives 1975 Sir Alfred Herbert Paper on Coal and Energy in Europe, Royal Society, S.W.1.

National Union of Agricultural and Allied Workers lobby MPs on tied cottages, House of Commons.

Financial Times two-day World Insurance Conference opens, Royal Lancaster Hotel, W.2.

Sir Lindsay Ring, Lord Mayor of London, attends City Livery Club banquet, Guildhall, E.C.2.

Chief Inspector of Factories annual report published.

PARLIAMENTARY BUSINESS

House of Commons: Debate on developments in European Communities April-October, 1975. Remaining stages of Northern Ireland (Loans) Bill. Debate on Northern Ireland Orders on rates, Bann Reservoir, insurance companies, firearms and education.

House of Lords: Debate on National Health Service.

COMPANY RESULTS

Armitage Shanks Group (half-year).
J. Lyons (half-year).
Phoenix Assurance (third quarter).
W. H. Smith and Son (Holdings) (half-year).

COMPANY MEETINGS

Bailey (Ben) Construction, Doncaster, 12.
Boulton (William) (Holdings), Stoke-on-Trent, 12.
Casket (S.) (Holdings), Manchester, 12.30.
Eleco, Hoddesdon, Hertfordshire, 12.
Homfray, Halifax, 12.
Lawtex, Manchester, 12.
Scottish and Continental Investment, 8, Crosby Square, E.C., 11.15
Spencer Gears, 10, Belgrave Square, S.W., 12.

COMPANY NEWS + COMMENT

LCP looks for second half recovery

FIRST HALF (to September 30, 1975) sales of L.C.P. Holdings expanded from £26.62m. to £32.5m., while pre-tax profit was down from £1.01m. to £0.97m.

However, the directors are confident of an appreciable increase in second half profits and, despite present economic uncertainties, they expect "a satisfactory profit" for the year. Last year's figure was £2.41m.

Earnings per 25p share for the six months decreased from 3p to 2.8p. The interim dividend is *stepped up from 0.942p to 1.27p* net. Last October, in successfully fighting off a bid for the capital by Central Manufacturing and Trading Group, a total dividend of 3.9p net, against 2.8929p for the previous year, was forecast.

The directors said they were satisfied that it would be adequately covered in view of the secure property income and cash flow.

	Six months 1975 £000	Six months 1974 £000	Year 1974-75 £000
Turnover	32,501	26,624	61,156
Property profit	457	561	951
Merchants and mfg.	941	1,027	2,262
Interest payable	458	383	807
Dividend received	3	2	7
Profit before tax	965	1,006	2,411
Taxation	444	446	1,091
Net profit	521	563	1,320

The fall in profit was due to industrial disputes at customers' works supplied by the engineering division and through the effects of shortage of supply and recession which impaired the performance of the vehicle distribution and metals divisions. However, production levels have improved within the manufacturing companies and performance is in line with budget.

The construction and distribution divisions are ahead of last year and there has been a significant increase in property returns derived from long-term rental income which is expected to improve further over the remainder of the year.

The directors are continuing with a substantial reorganisation programme in the operating companies, particularly within the engineering and vehicle distribution divisions, and when completed efficiency will materially improve.

Arising from the recent expansion into home improvement centres through the acquisition of the Big K and Calypso discount retailing groups, they are confident that there will be an appreciable increase in group profits in the second half.

● comment

But for strikes in the motor trade, LCP's profits would have been ahead by up to a tenth before tax. *As it is, the engineering operations* are now back to normal. acquisitions could chip in something like £1m. this half and the property operations continue to prosper. Thus LCP is confident of profit growth overall. Construction is going to emerge in front and distribution will be *either all square or—given a* traditional winter in solid fuel—well ahead. The dull spots are metals and motor distribution. At 68p the shares yield 9 per cent. on the promised 3.9p net dividend, and this is already covered some 2½ times by historic earnings. The balance-sheet remains strongly based, and the shares have outperformed the market by a quarter this year.

INDEX TO COMPANY HIGHLIGHTS

Kwik-Fit paying 0.5p interim

Kwik-Fit (Tyres and Exhausts) Holdings, (formerly G. A. Robinson Group), is resuming dividends after one year's lapse with an interim of 0.5p net in respect of the year to February 29, 1976.

First half turnover increased *from* £1,875,000 to £2,868,000, and pre-tax profit advanced from £112,000 to £133,000. Earnings per 25p share are shown at 2.73p.

The chairman, Mr. A. Stenson, says Kwik-Fit had a satisfactory six months and sales continue to be buoyant.

Dorsman was affected by the downturn in Holland, and results so far for the second half show a significant improvement.

J. C. Baker is seasonal and results during the second half should be considerably better.

Discontinued operations have been completely closed down and the provisions made in 1975 accounts have proved to be adequate. The realisations from these closures have enabled repayment of short-term debentures amounting to £189,800.

	Half year 1975 £000	Half year 1974 £000
Turnover	2,868	1,875
Holding co. expenses	20	44
Pre-tax profit	133	112
Taxation	65	54
Tax credit	42	—
Loss discontinued ops.	—	374
Net balance	109	[illegible]

* Deficit.

● comment

Higher volume on its tyres, brakes and exhausts division can *claim the sole credit for the 19* per cent. rise in Kwik-Fit's first-half profits. The profit margins of this division and those of the group were *lower in the first six months*, but this apparently reflects the price-cutting policy which the group was forced to adopt to push up volume. The Van Rooy Dorsman subsidiary, which suffered from depressed demand in the first half, looks set to turn upwards in the second six *months and*, with further expansion benefits expected from the tyres division (another five branches are scheduled for opening before the year end), the group should be able to produce a second-half pre-tax level similar to that of the first six months. Fully-taxed, that puts the group on a prospective p/e of 8.9 at 29p.

Statement, Page 22

Davenports Brewery tops £1.2m.

THE satisfactory result expected by Davenports Brewery (Holdings) for the year to September 30, 1975 turns out to be a rise in profits before tax from £935,514 to £1,216,984, after £352,000, compared with £477,000, for the first half.

The final dividend is 1.59p net per 25p share lifting the total from 2.11p to the maximum permitted 2.252p.

Tax for the year takes £656,220 against £504,976.

● comment

Among the smaller brewers, a 27 per cent. advance in pre-tax profits from Davenports represents a very significant advance. Sales have risen by around a half, but a canning line operating for the major national brands relies on high volume and low margins, so growth here distorts the picture. The major buoyancy at Davenports has been the home delivery market and the traditional free trade, which together account for over half of sales, *and a second-half advance which* doubles the first-half growth rate represents a very good summer for the industry and a shift towards "real ale." Overall, Davenports is confident for the future, but the shares still have a premium yield of 7.8 per cent. at 46p, though the market is evidently thin.

Petrocon up 66% to £1.28m.

RECORD turnover and profits were achieved by Petrocon Group (oil and process services) for the year ended August 31, 1975, despite the difficult economic climate.

Turnover increased by 51 per cent. *to £9.55m. while pre-tax* profits climbed by 66 per cent. to £1.28m. after £0.62m. (£0.24m.) for the first half.

As was indicated in the circular to shareholders in connection with the placing of 1m. Ordinary shares in April, a final net dividend of 2.94p (1.716p) per 12½p share *is recommended, making a* total of 3.924p (2.591p). Stated earnings per share rose by 62 per cent. to 12.91p (7.97p).

	1974-75 £	1973-74 £
Turnover	9,547,172	6,320,093
Profit before tax	1,284,643	775,164
Services	915,775	672,354
Manufacturing	356,272	116,076
Leasing	3,012	241
Oil sales loss (discontinued)	—	13,697
Share associate	6,000	—
Tax	682,601	429,665
Net profit	601,442	345,496
Minorities	—	3,372
Attributable	601,442	342,124
Interim dividend	42,509	77,742
Proposed final	150,066	73,625

The directors state that efforts *to increase exports continued to* be successful with overseas sales up by 87 per cent. to £2.29m. Both main operating divisions had a successful year, although margins in the services division narrowed in the second half as investment in process plant slowed and affected supply companies. There are no signs yet that the trend has been reversed but "we are making particular efforts to obtain new business overseas," they add.

In the manufacturing division both companies increased production during the year which resulted in record profits. The group's factories have started this year well with their order books at record levels, members are told.

Because of the general economic uncertainty facing British industry and the possible effect of political influence on *North Sea investment plans, the* directors report that "it is not possible to anticipate the outcome for the current year. However, the group, with its improved balance-sheet resulting from the share placing in April, is in "a strong position to take advantage of opportunities for expansion."

● comment

A strong export performance in both the services and manufacturing divisions has pushed Petrocon's pre-tax profits up by 66 per cent. Exports rose from 20 per cent. of total sales to 30 per cent. last year and the group is pushing for further expansion from this quarter in the current year. The balance-sheet has been strengthened by the proceeds of the April placing and all the group's short-term debt (almost £400,000 in the last accounts) has been wiped out. So, although *political uncertainties remain* about North Sea prospects, the group should be in a reasonable position to take advantage of the apparently high level of demand elsewhere; roughly 60 per cent. of turnover is concentrated outside the North Sea, and the overall order position is apparently *higher, both in volume and value* terms, than year ago. At 114p the shares are yielding 3.4 per cent. covered 3.3 times.

Surinvest launches Copper Trust

By Eric Short

Surinvest yesterday announced the launch of the Surinvest Copper Trust, an open-ended investment company incorporated in Jersey, operating on similar principles to a unit trust or mutual fund. The purpose of the trust is to offer investors outside the U.S. and Jersey a flexible medium for participating in the investment of copper. Normally, copper can only be bought in amounts of 25 tonnes, which would cost £14,300 at current prices.

Investors can apply for the participating shares (nominal value 1p) at a price of £10 per share. The *minimum application* is 50 shares and initially an issue of 300,000 shares is being made. The shares can only be bought and sold through the company at a value determined by the value *of the copper holdings and other* investments (mainly cash) on the valuation date—every business day. No income distribution would be made in respect of these shares.

Mr. Ormond, chairman of Surinvest stated that one feature of the trust was aimed at maintaining the close relationship between the client and his stockbroker or other investment adviser. To ensure that prospective investors received proper advice in commodity investment, only applications bearing the stamp of approved agents or professional advisers would be accepted. Mr. Ormond hoped to announce details of another commodity trust early in the new year.

Mr. Joseph Rank, chairman of Ranks Hovis McDougall, who yesterday announced pre-tax profits up from £32.5m. to £30.22m. for the year.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Archimedes Trust 2nd int.	2.47	Feb. 14	2.01	4.29	3.69
Atkins Brothers ......int.	0.88	Jan. 23	0.88	—	2.75
Chown Securities	Nil	—	0.9	Nil	1.4
Churchbury Estates ....int.	1.45	Jan. 26	1.31	—	3.47
Concrete Products Ireland	5.75(b)	—	4.75	8.0	7.0
Davenports Brewery	1.59	—	1.52	2.25	2.11
Kwik-Fit (Tyres & Exhsts.) int.	0.5	March 1	Nil	—	Nil
Land & House Property	2.03	—	1.94	3.73	3.52
LCP Holdings ....int.	1.27	Jan. 23	0.94	—	2.89
Longbourne Holdings ...	3.5	Jan. 8	3.35	3.5	3.35
Parkland Textile ......int.	Nil	—	0.88	—	1.73
Petrocon	2.94(a)	Jan. 27	1.72	3.92	2.59
Phoenix Mining & Fin. ...	1.5	Jan. 30	Nil	1.5	Nil
Ranks Hovis	1.39	Jan. 30	1.42	2.88†	2.51
Standard Chartered ...int.	8.75	Jan. 30	6.25	—	15.29
Swan Hunter ....int.	3	Dec. 31	2.77	—	5.46
Tecalemit ....int.	0.98	Jan. 16	1.01	—	2.98

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) On capital increased by placing of 1m. shares. (b) Gross throughout.

Tecalemit first half growth

ON SALES up from £9.29m. to £10m., first half pre-tax profit of Tecalemit increased from £346,000 to £425,000.

And the chairman, Mr. N. J. Bennett, states that the emphasis on better profitability will continue. Results in the second half-year are expected to be at least equal to those of the first half, provided the national economic situation does not worsen. Profit for the year to March 31, 1975 was £776,301.

He says measures taken last year to re-structure the group and eliminate less profitable products have proved successful in improving the half-year profits.

Direct exports and sales arising overseas accounted for 40 per cent. of group turnover.

Products cover fluid transfer, garage and lubrication equipment and combustion engineering.

An interim dividend of 0.975p (1.005p) net per 25p share is declared—equal to an unchanged 1.5p gross. Last year's net total was 2.935p.

	Half year 1975 £000	Half year 1974 £000	Year 1974-75 £000
External sales	10,000	9,290	18,619
Trading profit	644	554	1,217
Interest	213	208	441
Profit before tax	425	346	776
Taxation	232	193	422
Net profit	193	153	*354
Preference div.	—	8	8
Ordinary	64	64	183
Balance	129	81	153

* Before extraordinary debits of £367.

● comment

The second-half performance in 1974-75 suggested that Tecalemit had got to grips with its problem areas, so a half-time pre-tax increase of 23 per cent. on a sales growth gain of only 7½ per cent. is no real surprise. A profitable German subsidiary (losses in the previous first half totalled £17,000), together with sustained improvement in Australia, are the *main factors behind the recovery:* the U.K. operations were a rather mixed bag. The garage equipment side suffered from a lack of investment by the oil companies, although current orders indicate a better second half, while the depression in the machine tool sector took its toll on the lubrication division; but combustion engineering surprisingly, performed better. Given the recovery apparent in the previous second half, Tecalemit will now be more tested and further weeding out of less profitable areas could be necessary. The shares at 45p yield over 10 per cent. historic.

Advance in profit seen by Churchbury

Due largely to the ending of *the rent freeze and to the Enfield* office development coming into rent from July 10, 1975, net rental and other income of Churchbury Estates improved from £145,798 to £169,905 during the six months ended September 30, 1975.

Net profit slipped from £35,693 to £32,801 after tax of £35,240, compared with £37,476. The difference in net profit, according to the directors, is more than covered by the costs in the letting and new lease for the Enfield development.

They believe that net profit for the year will show a "satisfactory increase" over last year's £68,334. At the pre-tax level profit for 1974-75 was £97,916.

During the remaining period of the current year income will be at a higher level because of a full year's rent for the Enfield development and increased rentals due to reversions on some industrial and commercial properties, the *directors add.*

Stated earnings per 25p share are up from 2.02p to 2.34p at halfway and the interim dividend is being raised from 1.3125p to 1.45p net. Last year's total was 3.4655p.

Atkins (Hosiery) downturn

REFLECTING PRESSURES on margins and a decrease in demand, brought about by the general depression, first half pre-tax profit of Atkins Brothers (Hosiery) fell sharply from £246,841 to £90,913.

However, the chairman, Mr. D. Styles, reports that most divisions are busier, but it is too early to say whether this is the first indication of a general improvement or merely a seasonal upsurge.

Order books are healthier and he expects some improvement in the second half. *Profit for the year to March 31, 1975*, was £540,332.

As before the interim dividend is 0.873p net per 25p share, costing £28,000 (same). Last year's total was 2.745p.

	Six months 1975 £	Six months 1974 £
Group turnover	3,280,000	3,225,000
Profit before tax	90,913	246,842
Taxation	47,000	120,000
Net profit	43,913	126,841

Lower profit likely at Morland

In the current year since October the draught beer trade at Morland Co. has continued to improve and sales are "satisfactory," but Mr. R. G. Feilden, chairman finds that "the continued decline in bottled beer is disturbing."

In his annual statement he says that due to the "wonderful" 1975 summer profits rose by 20 per cent. to a record £0.54m. It would be over optimistic to expect similar weather again next year and he therefore cannot foresee profits of this size again, with costs and overheads still on the increase.

A revaluation of the company's freehold properties at September 30, 1975 amounted to some £6.01m. but because of the unsettled state of the property market, the directors think it unwise to incorporate these figures in the accounts.

Dividends for the year 1974-75 are up from 9.497p to 10.134p.

Meeting, Abingdon, December 23 at 12.30 p.m.

Longbourne

Tea estate owners, Longbourne Holdings reports an upsurge in pre-tax profits from £202,992 to £506,493 for 1974.

Taxed profits were up from £150,959 to £423,844, and the dividend is lifted from 3.35p to 3.5p net per £1 share.

F. Parker aims delayed

FUTURE OBJECTIVES of Francis Parker, namely the conservation of assets, reduction of borrow*ings and the provision of adequate* dividend cover, will take longer to achieve than at first envisaged.

But chairman Mr. R. K. Francis, remains confident of eventual success. The group's borrowing position will be transformed by the progressive realisation of the *land and properties for sale worth* £12.2m. at March 31, 1975.

He *feels* that the concrete operations have by far the biggest growth potential. *A number* of schemes for profitable expansion have been prepared and are ready for implementation as soon as economic and financial circum*stances warrant.*

Activities in house building will be strictly limited until the planned reduction in group borrowings has been achieved.

Following withdrawal from general contracting, the specialist companies in the group are now entirely dependent on outside *custom for their workload; their* trading profits, therefore, represent a genuine cash flow to funds.

Mr. Francis stresses that overseas investments will not yield immediate returns. However, he is confident that the long-term value of having access to a wide range of international markets *will amply justify the expenditure* involved in setting up these ventures.

In the Azores, the go-ahead has been given for setting up a processing and loading plant for handling large quantities of graded pumice. The material has become even more valuable since the *initial appraisal* of the project, because pumice is one of the few natural materials for blockmaking which will provide products having the thermal insulation properties now becoming mandatory throughout the world.

For the year ended March 31, 1975, the group incurred a loss of £1.37m. (profit £1.16m.) after taking in the effects of the 1974 property revaluations, and the net dividend is cut from 1.204p to 0.3p, as stated on September 27.

The auditors note that the accounts have been prepared on the assumption that finance will continue to be available and will permit realisation of land not under development over the extended period contemplated.

ICFC is interested in 5.03m. Ordinary shares and £436,000 loan stock.

Meeting, Connaught Rooms, WC, December 23 at 10 a.m.

SAVINGS BONDS CONVERSION

The Treasury announces that a conversion offer will be made to holders of 7 per cent. British *Savings Bonds (First Issue) purchased* in the period October 2, 1970, to April 1, 1971.

The bonds will mature on April 1, 1976, and are repayable on application at £102 per cent. upon maturity. Holders will be invited to exchange their holdings on April 1, 1976, into 9½ per cent British Savings Bonds (Second Conversion Issue) repayable on *application* at £103 per cent. on maturity.

Terms of the new bonds will be the same as the subscription issue which went on sale on June 3, 1974, except that interest will be payable on April 1 and October 1.

3p interim by Swan Hunter

IN THEIR interim statement, the directors of Swan Hunter Group tell members that profits arising from contracts completed in the first half of 1975 were not unsatisfactory, but it is not possible to give an accurate indication of group results for the full year.

They point out that there has been a collapse in world demand for new *ships*, particularly tankers, and a large number of contracts have been and are still being cancelled throughout the world.

The interim dividend is lifted from 2.77p to 3p net per £1 share costing £331,093 (£305,842). Last year's total was 5.4574p. Pre-tax profits reached £12.9m.

See Lex and Page 1

ISSUE NEWS

SHORT-TERM LOCAL LOANS

The coupon rate on this week's issue of local authority yearling bonds has inched up from last week's level of 11½ per cent. to 11¾ per cent. The Bonds are issued on December 8, 1976, at par.

This week's issues are: South Tyneside Metropolitan Borough Council (£½m.), City of Salford (£½m.), Daventry District Council (£½m.), Brentwood District Council (£½m.), Thurrock Borough Council (£½m.), Dudley Metropolitan Borough Council (£½m.), London Borough of Haringey (£1m.), City of Edinburgh District Council (£1m.), City of Leeds (£½m.), City of Westminster (£1m.), Fareham Borough Council (£½m.), Bury Borough Council (£½m.), North Bedfordshire Borough Council (£½m.), Ogwr District Council (£½m.), Lliw Valley District Council (£½m.), Metropolitan Borough of Stockport (£0.35m.), Castle Point District Council (£½m.), Blaby District Council (£½m.), The Maidstone Borough Council (£1½m.), City of Newcastle Upon Tyne (£½m.), Borough of Poole (£½m.), City of Portsmouth (£1m.), Tewkesbury District Council (£½m.), Royal Borough of Windsor and Maidenhead (£1m.), Hampshire County Council (£1m.), London Borough of Hounslow (£½m.), Borough of Thamesdown (£½m.).

THE NEW THROGMORTON TRUST LTD.

Capital Loan Stock Valuation—2nd December, 1975

The Net Asset Value per £1 of Capital Loan Stock is Nil.

Securities valued at middle market prices.

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

Unochrome International Ltd.	Cheltenham	£102,920	30. 6.75
Concentric Ltd.	Sutton Coldfield	£415,455	27. 9.75
The Talbex Group Ltd.	London W1	£56,492	31. 7.75
United City Merchants Ltd.	London W1	£193,538	30. 6.75
Highland Electronics Group Ltd.	London EC1	£107,718	30. 4.75
Coats Patons Ltd.	Glasgow	£4,019,969	31.12.75
Beaverbrook Newspapers Ltd.	London EC4	£382,940	30. 6.75
Smiths Industries Ltd.	London NW2	£3,631,698	2. 8.75
Grampian Television Ltd.	Aberdeen	£16,154	29. 2.76
Telbedde Ragalla Investments Ltd.	Sevenoaks	£16,500	31.12.74
Beralt Tin & Wolfram Ltd.	London EC4	£308,933	31.12.75

Published by the Treasury as required by the above Act

Ranks Hovis well over forecast at £30.22m.

EXTERNAL SALES for the year to August 30, 1975 of Ranks Hovis McDougall expanded from £700m. to £793m., and pre-tax profit advanced to £30.22m., compared with the May forecast of not less than the previous year's £22.83m. At halfway, profit was marginally higher at £13.22m., against £12.5m.

A final dividend of 1.58822p makes a maximum permitted total of 2.67697p net, on capital increased by a one-for-four rights issue, against a forecast of maintenance of 2.5102p. Stated earnings per 25p share increased from 4.1p adjusted to 5.2p.

The improvement in profit was due to increased contributions from all the trading sectors of the group apart from the bakeries, says the chairman, Mr. J. Rank. A measure of profitable trading was restored in the bakery division following the loss in the first half but the full year's results were well below those of the previous year, even before taking into account the costs of rationalisation.

Although interest charges on short-term borrowings were higher than last year, there was a reduction in the second half following the rights issue and more profitable trading.

The chairman reports that trading results so far for the current financial year are better than those for the corresponding period last year. "In spite of current economic difficulties and although in some sectors we are hampered by restrictions, we face the future with confidence," he declares.

	1974-75 £000	1973-74 £000
Total sales	939,000	819,000
Less within group	146,000	119,000
External sales	793,000	700,000
Trading profit	51,745	41,036
Depreciation	11,496	10,695
Interest	11,334	8,618
Investment income	240	379
Share associates	1,053	764
Profit before tax	30,218	22,825
Taxation	15,418	11,613
Net profit	14,800	11,212
Rationalisation costs	1,150	—
Other income	240	802
Minority interests	700	449
Attributable	13,190	11,265
Pension reserve	1,000	1,000
Preference div.	253	283
Ordinary	7,277	5,485
Retained	4,630	4,297

* Comprising (£000s omitted) U.K. tax 8,520 (£6,282), less double tax relief £909 (£459); overseas £2,718 (£1,730); deferred 5,065 (£4,325); associates £324 (£759), tax credits prior years £498 (£814). † Surplus on disposal assets, etc.

Stocks are valued at the lower of cost and net realisable value; in previous years they were valued at the lowest of cost, net realisable value and replacement price. The profits of the previous year would not have been materially affected if the new basis had then applied, it is stated.

Statement, Page 22
See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Alpine Soft Drinks, Armitage Shanks, Daily Mail and General Trust, B. Elliott, J. Lyons, Morgan Grampian, Shaw and Marvin, W. H. Smith and Son, Wagon Industrial Holdings, Whitbread Investment.

Finals: J. A. Devenish, Glenmurray Investment Trust, London Scottish American Trust.

FUTURE DATES

Interims—	
Austin (E.) and Sons (London)	Dec. 10
Baker Perkins	Dec. 18
Coated Metals	Dec. 4
English Card Clothing	Dec. 10
Great Universal Stores	Dec. 4
Lees (John L.)	Dec. 5
Meyer (Montague L.)	Dec. 18
Travis and Arnold	Dec. 10
United British Securities Trust	Dec. 9
W.G.I.	Dec. 9
Finals—	
Elson and Robbins	Dec. 8
Hunslet (Holdings)	Dec. 12
Samuel Properties	Dec. 4
Tokengate Investments	Dec. 5
Wheeme	Dec. 11

Deficit at Chown

CHOWN SECURITIES incurred a net loss of £528,421 in the year to June 30, 1975, compared with a profit of £180,151 for the previous year, after a first half deficit of £314,253, against £364,785.

There is no dividend compared with a total of 1.4065p net for 1973-74.

Turnover was £2,401,433 (£3,179,498). The loss is struck after a tax credit of £1,064 (debit £7,775), a transfer from reserves of £547,000, extraordinary items £805,123 and provisions against housing sites £380,000.

The loss per 25p share, before extraordinary items, was basic 32.46p (earnings 4.65p), and fully diluted, 25.28p (earnings 3.55p). After extraordinary items the loss was basic 12.86p (earnings 4.65p) and fully diluted 9.92p (earnings 3.55p).

Frizzell sets up European offshoot

By Eric Short

THE FRIZZELL GROUP, a leading Lloyd's insurance broking organisation, has established the first representative Common Market insurance broking organisation, Frizzell International. The group will hold 51 per cent. of the equity, the remainder being spread among West German, French, and Italian interests. The new company will operate as a Lloyd's broker in the non-life field. The group has also acquired a 47 per cent. holding in a leading French insurance broker, Dupont-Fauville et Cie SA.

Mr. Michael Graham, managing director of The Frizzell Group, said that this concept of bringing European partners into London was unique in the insurance market. It should generate a considerable volume of business for the London market, particularly in the reinsurance sector. Mr. Graham will be the managing director of Frizzell International and the chairman will be Mr. Norman Frizzell, the chairman of the Group.

WEIR GROUP

Repayment of the Weir Group Deutschemark loan at 9¾ per cent. was completed on November 28 with funds provided by Finance Corporation for Industry. Terms on which the funds were made available were as set out in the October circular to Weir shareholders in connection with the recent rights issue.

British Dredging £0.22m. loss

INCLUDING a charge of £95,805 for additional ships' insurance calls for previous periods, The British Dredging Company incurred a pre-tax loss of £217,811 for the half-year to June 30, 1975. For the previous nine months the loss was £208,819.

For the current year no interim dividend is being paid. The last payments, totalling 1p net, were for the full year to March 31, 1974.

Explaining a first half group tax credit of £5,141, the directors say that no account has been taken of losses of overseas subsidiaries of £123,000 which are not available for relief in this period. The credit is after charging £26,000 from the utilisation of losses at rates below 52 per cent.

Referring to a tax charge of £9,970 for associated companies, they say that no credit has been taken for losses of £38,000 in an overseas company which are not available for relief in this period.

In his statement in June the chairman, Mr. D. M. Bowles said the company was well placed to take immediate advantage of any increase in volume of trade. Apart from dredging, the company is a supplier of ready mixed concrete, with interests in building and structural engineering.

	Half-year 1975 £	9 mths. 1974 £
Group turnover	8,101,464	11,991,028
Share of losses of assoc.	16,987	*22,232
Pre-tax loss	217,811	208,819
Group tax credit	5,141	31,788
Assoc. tax charge	9,970	36,822
Net loss	222,440	283,873
Minorities	6,964	7,954
Extraordinary debit	—	57,697
Attributable loss	229,404	309,524

* Profits.

Smith (Whitworth)

Sales of Smith Holdings (Whitworth) for the half year to October 4, 1975, declined from £643,434 to £522,890, but pre-tax profit was £31,557, compared with a loss of £71,661. The profit for the full year 1974/75 was £11,908.

The 1975 first half includes a profit of £11,072 from the disposal of fixed assets and in 1974 there were exceptional debits of £24,812.

There is no interim dividend. The last payment of 0.25125p net was for 1973-74.

The company makes textile machinery and stainless steel fabrications.

	First half 1975	1974
Sales	522,890	643,434
Profit dispsl. fixed assets	11,072	—
Exceptional debit	—	24,812
Pre-tax profit	31,557	*71,661
Tax credit	—	4,600
Net profit	31,557	*67,061

* Loss.

ARMOUR TRUST

Results of Armour Trust for the year to April 30, 1975, have been delayed due to the sudden death of the managing director of the Belgian subsidiaries.

New arrangements made have necessitated rationalisation of the Brussels and London offices and have caused considerable delay in the preparation of the group accounts, it is stated.

It is anticipated that the results will be announced at about the same time as last year.

Land & House turns in £0.92m: pays more

NET SURPLUS from completed properties and other income of The Land and House Property Corporation amounted to £0.92m. for the year to September 30, 1975, compared with £1.41m. for the previous year, and net taxed profit was £381,244, against £661,652.

Following a change in the accounting policy it was decided that the sites on which development work has been deferred should be separated from those on which work has commenced. As a result outgoings on the former will become a charge against the underlying profitability of the group and will not be covered, as in the past, by a transfer from realised reserves.

Had the former policy been adopted net surplus from completed properties and other income would have been £1,204,616 and net profit after tax £517,944.

A final dividend of 2.03p raises the total from 3.518p to a maximum permitted 3.758p net.

In proposing increased dividend the directors had regard to the expected additional rental income which should arise from rent revisions over the next few years, and to the balance of unappropriated profit of about £2m., it is stated.

Earnings per 50p share adopting the former accounting policy are shown at 5.11p (6.65p), and under the revised policy 3.76p.

During the year investment properties were sold for approximately £3m. The total realised, after taking into account the benefit of discounts on the redemption of associated borrowings, was slightly in excess of book value. Capital Gains Tax for the year is estimated at £329,000.

The provision for unrealised losses on exchange was increased at September 30, 1975 by £1,109,324 over the £124,472 provided a year earlier.

The company holds through its associated company, Interblauw, a portfolio of completed properties in Belgium and Holland acquired in 1973 on the basis of an independent valuation at that time. In view of the general decline in investment values in Europe, it has been considered prudent to make a reduction of £0.5m. against the cost of this investment.

The directors have decided that the remaining development properties of the group should be held in the Balance Sheet at cost, pending completion. The revaluation surplus relating to such properties amounting to £3.765m. has accordingly been written back.

As a result of the adjustments having been incorporated into the accounts, the directors are of the opinion that, in aggregate the value of the group's assets does not vary significantly from the figures shown. On this basis, net assets per ordinary share amount to 181p.

Regarding the interest and other expenses in connection with the group's withdrawal from Australia provision for the expenditure was included in the sum of £3.5m. written off the company's capital reserves in respect of its investment in Australia in 1973-74. As this sum has now been charged to profit and loss account, a like adjustment has been made to the capital reserves of the net equivalent of the gross amount after tax relief.

	1974-75 £	1973-74 £
Gross income	3,860,750	3,207,096
Net rental income	773,177	1,041,435
Surplus on properties*	323,067	418,474
Off properties†	112,008	—
Share assoc. losses	70,815	47,205
Pre-tax profit‡	920,029	1,410,704
Interest, etc.††	550,229	931,514
Interest, etc.§	427,031	—
Taxation	134,535	264,538
From realsd. cap. res.¶	373,000	447,300
Net profit	381,244	661,652
Preference dividend	832	832
Ordinary	379,959	362,616
Minority adjustment	7,559	12,394
Retained	7,962	410,598

* Properties acquired for resale and realised. † Properties held for resale. ‡ Net surplus from completed properties and other income. †† Properties under active development. § In connection with withdrawal from Australia. ¶ Interest and other income attributable to properties under active development £168,000 (£447,300) and interest and expenses in connection with withdrawal from Australia £205,000 (nil).

Provisions hit Wallace Bank

HEAVY EXCEPTIONAL provisions against loans and advances of £2.83m. have left Wallace Brothers Bank, the merchant bankers, with a pre-tax loss of £1.4m. for the year to end-July, against a profit of £1.03m. in the previous year.

The bank stated yesterday that the provisions were expected to cover any probable losses, and the chairman, Mr. D. R. S. FitzGerald, said that the "vigorous measures" taken had cleared the way for development of the business on a basis conforming with current conditions.

Maintenance of adequate levels of liquidity remained a prime consideration, he said, and the company had arranged standby credits with its bankers appropriate to the size of the business.

The profit from banking activities rose before the special provisions from £1.44m. to £1.91m. After the provisions, and further provisions of £364,986 (against £82,790) for diminution in the value of long term quoted investments the bank showed a pre-tax loss of £1.4m. and a net loss after tax of £1.33m.

Unit-linked life business

By Eric Short

Premiums received for unit-linked life assurance business fell in the third quarter of this year in all classes of business. Annual premiums were down to £9.95m. from £11.32m. in Ordinary business and from £8.41m. to £7.04m. in pension business. Single premiums were £1m. lower at £22.44m. for Ordinary business and marginally reduced to £3.53m. for pension business. However, these third quarter figures are well in advance of business transacted in the corresponding period last year. The number of policies in force rose by 36,000 in the quarter to 2.27m.

Investment of unit-linked life contracts in units of authorised unit trusts also fell in the quarter to £15.91m. from £17.31m. in the second quarter. This left the aggregate market value at the end of the period at £451m. against £423m. at the beginning. The number of policies involved directly or indirectly with authorised unit trusts stood at 1.38m. at the end of the quarter.

Benfield & Loxley up at midterm

Builders, civil engineers, shopfitters and furniture manufacturers, etc. Benfield and Loxley reports pre-tax profits up from £32,000 to £34,000 for the half year to August 31, 1975 on turnover down from £3.19m. to £2.11m.

The chairman, Mr. D. Olney, says that the slight downward trend in turnover is likely to continue but it will not affect anticipated profits.

In July, reporting profits of £82,000 and a dividend of 0.75p net for the year to end February he said that current year profits would be higher.

Contracting is still most competitive, reports Mr. Olney. The directors intend to maintain their cautious approach to tendering, which will bring a further reduction in trade in the coming months. But they will not "buy in" contracts, which they see as a recipe for disaster, he adds.

The group has recently signed an agreement with Armco Eurotec, the European subsidiary of Armco Steel of America, for the sole dealership of Armco's building systems in Oxfordshire, Berkshire and Buckinghamshire.

Shopfitting continues to be buoyant. Olney Bros. should produce record profits for the full year, and the order book is currently 20 per cent. up on last year The Dutch subsidiary, Interplan System 80 BV, is also doing well and the initial setting-up problems have all been overcome.

This firm foothold on the Continent is enabling the group to market in Europe the products of the recently-acquired Merrows furniture group. The signs here are encouraging, the chairman says.

Concrete of Ireland

Pre-tax profits of Concrete Products of Ireland increased from £1.02m. to £1.15m. in the year to Sept. 30, 1975, after £505,000 (£503,000) at halfway.

Stated earnings per 25p share increased from 12.6p to 16.9p for the year, and the dividend is stepped up from 7p to 8p gross with a final of 5.75p. The company is a subsidiary of Marley.

	1974-75 £000	1973-74 £000
Profit	1,687	1,624
Interest	302	399
Depreciation	235	205
Profit before tax	1,150	1,020
Tax	475	515
Net profit	675	505
Dividends	209	193
Tax credits	499	—
Balance	965	323

GRINDLAYS

At an EGM shareholders of Grindlays Holdings voted in favour of the proposal for the increase of the equity and other capital resources of Grindlays Bank by about £32m.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
U.S.$	F.P.	—	$12¼	$12¼	Brazil Fund S.A.	$12¼	......	—	—	—	—
◆	F.P.	—	100	100	Corn Exchange	100	......	b1.62	2.6	1.2	—
¶335	F.P.	7/11	360	260	Standard G'd Min'g 20c	265	+5	—	—	—	—
—	F.P.	—	£32¼	£31½	Hughes Tool $1	£32¼	+¼	Q49c	—	0.6	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£99¼	£50	30/1	50	48½	Bristol (City of) 13⅝% Deb. Stk. 1981	49⅝	−⅛
£99½	£30	11/2	30½	29½	Coventry City of 13½% Red. Stock 1980	30¼	−¼
£98	£10	23/1	12	11⅛	Essex Water 9% Red. Pref. 1981	11⅞	......
‡£100	F.P.	15/10	128½	113	Haslemere Est. 8½% '90-5	119	......
£100	£50	9/1	51½	49⅞	Islington 13¾% Red. Stk. 1980	51	......
£100	£50	9/1	49⅝	47½	Do. 14% Red. Stk. 1985/6	47¾	−¼
¶HK$100	Nil	—	35p	15p	Jardine Math.7½% Conv. Uns. 1990	15pm	......
††£96	F.P.	28/11	100	98¾	Lee Valley Water 9% Red. Pref. 1980	99	......
$US100	F.P.	—	100	98½	Midland Bank Float Cap Notes '82	99½	......
$C100	F.P.	—	98¼	98	Noranda 9½% Notes 1980	$C98¼	......
$US100	F.P.	—	102½	98	Do.	$US.102½	......
£98	£25	23/1	28	26	Norcros 13⅛% Deb. 1990/95	27¼	−¼
‡50p	F.P.	17/11	50¼p	46p	Singlo 10% Cum. Conv. Pref.	48	+1
£100	F.P.	28/11	120	100	Spirella 14% Conv. 1980	108xd	......
$US100	F.P.	—	98	92	Trans Union Fin Can 10¼% notes 1980	$C.95	......
£98	F.P.	31/10	98½	96½	York Waterworks 8% Red. Pref. 1980	96½xd	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975 High	1975 Low	Stock	Closing Price p	+ or −
20	F.P.	14/11	5/12	35½	29	Amal. Distilled Products	30	+1
100	Nil	—	—	62	50	Anglo-Am Asphalt	60pm	−2
25p	Nil	11/12	3/3	103	94	Berisford (S. & W.)	103pm	+5
33	Nil	5/12	7/1	29	16	Berry Wiggins	21pm	+½
285	Nil	12/12	16/1	76	64	British Home Stores	67pm	+5
105	F.P.	14/11	5/12	146	126	Cape Inds.	135	+7
32	Nil	12/12	12/1	23	17½	Capper-Neill	19½pm	+1½
10	F.P.	5/12	9/1	22½	16½	Charles (David)	20¼	+2
55p	F.P.	24/11	8/1	87	79	Debenhams	81	+2
90	Nil	12/12	9/1	34	27	Fenner (J.H.)	31pm	+4
675	F.P.	1/2	7/1	867½	775	Harrisons & Crosfield	800	+25
55	Nil	15/12	12/1	33	22	Hunting Assoc. Inds.	22pm	−2
260	F.P.	28/10	12/12	402	330	I.C. Gas	377	+10
60p	Nil	5/12	8/1	40	30	Ibstock Johnsen	35pm	+5
10p	Nil	17/12	16/1	128	114	Kwik Save Discount	117	+4
10	Nil	22/12	20/1	24½	19	Lighting & Leisure	20pm	+1
20p	F.P.	21/11	12/12	124	110	Minet Holdings	114	+4
58	Nil	—	—	10½	8	Mowlem (J.)	10½pm	+1½
$1.50	Nil	—	—	155	123	Nat. Bank of Aust.	153pm	+1
25	F.P.	30/10	9/12	89	68	Northern Foods	74½	+6
10	Nil	17/12	7/1	15	14	Pootins	15pm	+1
10p	F.P.	24/11	30/1	39	35	Raybeck	36	......
92	Nil	—	—	26	24	Runciman (W.)	25	−1
58	Nil	—	—	5½	½	Spillers	4½pm	......
70cts	Nil	19/12	—	3	Nil	Trust Bank Africa	Nil	......
90	Nil	12/12	16/1	50	47	Watson & Philip	48pm	+1
50p	F.P.	19/11	19/12	75	60½	Weir Group	72	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ♥ 280 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ‡ With warrants.

Standard Chartered ahead at halftime

TAXABLE PROFIT of Standard Chartered Bank improved from £42.72m. to £46.73m. during the half year to September 30, 1975—for the full year 1974-75 the figure was £81.85m., after charging £6m. additional provision against advances.

First-half earnings per £1 share are shown to be up from 31.3p to 32.1p and the interim dividend is raised from 6.25p to 6.75p net. Last year's payment was 13.2943p.

In October the company changed its name from Standard and Chartered Banking Group.

	Six months 1975 £000	1974 £000
Trading profit	47,849	39,001
Share of assoc.	2,885	2,779
Profit before tax	46,734	42,724
Tax	20,903	20,065
Assoc. tax	[illegible]	1,291
Profit after tax	24,[illegible]	21,[illegible]
Minorities	[illegible]	[illegible]
Attributable	21,[illegible]	18,791
Dividend	4,036	[illegible]
Retained	17,[illegible]	13,0[illegible]

Statement, Page 21
See Lex

J. A. JOBLING

James A. Jobling the Sunderland based glass manufacturer has changed its name to Corning. The company is a wholly owned subsidiary of Corning International Corporation.

Parkland Textile deficit

Reflecting continuing losses by Knoll Spinning and Jerseycraft, Parkland Textile (Holdings) incurred a deficit of £167,000 in the half year to August 29 1975 and there is no interim dividend.

In last year's first half there was a pre-tax profit of £309,000 but this had been reduced to £144,000 by the year end. Dividends totalled 1.7325p net.

The chairman, Mr. J. L. Hanson, says that Knoll has not yet recovered from the effects of the raw material losses resulting from the repudiation of export orders but Jerseycraft, on its reduced trading basis, has improved its position: before interest, its losses for the first half have been reduced from £95,000 to £65,000. Jerseycraft should show further improvement and at Knoll Spinning, although its losses will continue in the second half year, they should be at a reduced rate. Present indications lead him to believe that the group will return to profit during the second half of the year.

	Half-year 1975 £000	1974 £000	Year 1974-75 £000
External turnover	8,197	9,752	16,566
Trading surplus	311	571	1,237
Depreciation	226	221	464
Bank interest	252	241	649
Loss before tax	167	*309	*144
Group profit	436	616	1,150
Knoll loss	454	161	617
Jerseycraft loss	119	146	339
Tax credit	84	†161	†81
Minorities	8	8	16
Attributable loss	91	*140	*47

* Profit. † Charge.

The liquidity position is satisfactory, he tells members, and the question of a final dividend will be considered in the light of the year-end results. The dividend on the 4½ per cent. Cumulative Preference for the half year has been paid, absorbing £3,938 (£3,938), he adds.

RHM
RANKS HOVIS McDOUGALL LIMITED

Preliminary Announcement of Annual Results

At a meeting of the Board of Ranks Hovis McDougall Limited held on 2nd December 1975, the following preliminary details were approved for issue.

Final Dividend on Ordinary Shares

The Directors recommend the payment of a final dividend for the financial year ended 30th August 1975 on the Ordinary shares of 1.58822p per share making, with the interim dividend, a total of 2.67697p per share (last year—2.5102p per share) representing, with the related tax credits, 4.11842p per share for the year (last year—3.7466p per share). The distribution for 1975 applies to the capital as increased by the rights issue and is the maximum allowed under current regulations.

The final dividend will be payable on 30th January 1976 to holders of Ordinary shares on the register on 19th December 1975.

Results

A statement showing the profit for the financial year ended 30th August 1975 is shown below.

Annual Report

The Annual Report, incorporating the Chairman's Review, will be circulated on 2nd January 1976.

Salient points are:—

(a) **Results**

Profit before taxation and extraordinary items increased by £7,393,000 to £30,218,000 for the year. External sales rose by £93m. to £793m.

The improvement in profit was due to increased contributions from all the trading sectors of the Group apart from the bakeries. A measure of profitable trading was restored in the bakery division following the loss in the first half but the full year's results were well below those of the previous year, even before taking into account the cost of rationalisation.

Although interest charges on short-term borrowings were higher than last year, there was a welcome reduction in the second half following the rights issue and more profitable trading.

(b) **The Future**

Trading results so far for the current financial year are better than those for the corresponding period last year.

The Group is broadly based within the food industry in the U.K. and overseas. In spite of current economic difficulties and although in some sectors we are hampered by restrictions, we face the future with confidence.

Consolidated profit statement for the financial year ended 30th August 1975

	£000	1975 £000	£000	1974 £000
1. Turnover				
Total sales		939,000		819,000
Deduct: Sales within the Group for further processing		146,000		119,000
		793,000		700,000
2. Profit				
Group profit on trading before depreciation		51,745		41,036
Depreciation		11,496		10,636
		40,249		30,400
Interest paid, less received		11,324		8,618
		28,925		21,782
Investment income		240		279
Associated companies		1,053		764
Group profit before taxation		30,218		22,825
Taxation				
United Kingdom corporation tax at 52%	8,520		6,282	
Deduct: Double taxation relief	969		459	
	7,551		5,823	
Overseas taxation	2,718		1,720	
Deferred taxation	5,065		4,325	
Associated companies	524		359	
Taxation adjustments in respect of earlier years	(438)	15,418	(614)	11,613
		14,800		11,212
Extraordinary items less taxation				
Rationalisation costs	1,150		—	
Surplus on disposal of assets and other items	(249)	901	(502)	(502)
		13,899		11,714
Minority interests		700		449
Profit attributable to Ranks Hovis McDougall Limited		13,199		11,265

Stocks are valued at the lower of cost and net realisable value; in previous years they were valued at the lowest of cost, net realisable value and replacement price. The profits of the previous year would not have been materially affected if the new basis had been applied.

	£000	1975 £000	£000	1974 £000
3. Appropriation of profit				
Reserve for pensions		1,000		1,000
Preference dividends		283		283
Ordinary dividends				
Interim paid 1.08875p per share (1974 1.09375p)	2,960		2,366	
Final proposed 1.58822p per share (1974 1.42145p)	4,317	7,277	3,089	5,455
Profit retained				
The company	2,523		2,719	
Subsidiaries	1,989		1,821	
Associated companies	127	4,639	(13)	4,527
		13,199		11,265
4. Earnings per Ordinary share of 25p		5.2p		4.1p

Based on profit of £12,817,000 (after minority interests, preference dividends and transfer to reserve for pensions, but before extraordinary items) and on 247.5 million Ordinary shares ranking for dividend, being the adjusted weighted average following the rights issue. The earnings per share for 1974 have been adjusted as appropriate.

MINING NEWS

A better day for Golds

BY KENNETH MARSTON, MINING EDITOR

TAKING heart from a recovery of $1.50 to $139.35 per ounce in the bullion price, Gold shares regained their aplomb yesterday. After a good demand, much of which came from the U.S., prices closed at the highest levels and the Gold Mines index recovered 10 points to 228.4.

As pointed out in this column yesterday, the beneficial effects on mine revenue in terms of rands of South Africa's recent 17.9 per cent. devaluation is still a long way from being eroded by the continued rise in costs and the fall in the gold price from the $150 per ounce level.

The latter price obtained in early September immediately before news of the proposed International Monetary Fund sale next year of 25m. ounces: a gold price of only $123, however, is now equivalent in terms of rands to one of $150 before devaluation.

How far is yesterday's rally in the metal price to be trusted? Bullion dealers were inclined to be cautious, pointing out that the move reflected only a modest amount of buying in what had become an oversold market. Even so, some considered that in the absence of any new developments, prices of both gold and silver could now be in a bottoming-out phase.

PHOENIX MINING OUT OF THE RED

A return to the dividend list is reported by Phoenix Mining and Finance with a declaration of 1.5p in respect of the year to September 30. The company's last payment was one of 1.68p for 1972-73.

Turnover in 1974-75 showed a marked increase to £1.31m. from £287,143 and net earnings come out at £34,301 against a loss of £242,396 after deducting an investment provision of £1,337 (£163,515) and the profit of the associated company retained in Rhodesia of £34,050 (£15,522). Earnings per share are 2.14p compared with a loss of 15.15p in the previous year.

No further provision has been made against the company's 31.59 per cent. holding in Globe and Phoenix Gold Mining (1973-74 £104,256) as the directors consider the investment to be fairly stated.

Net asset value per Phoenix Mining share as at September 30 is 27.99p compared with 27.22p at the same time a year ago. Globe and Phoenix holds 42.77 per cent. of Phoenix Mining, shares of the latter being 18p in London yesterday.

New Caledonia decision soon

THE French Government expects to announce its decision for the northern New Caledonian nickel project at the end of January or early in February. The Secretary of State for Overseas Departments and Territories, Mr. Olivier Stirn, thinks that an announcement could come during his visit to New Caledonia at that time when he will be accompanied by the Industry Minister, Mr. Michael d'Ornano.

The Ministry of Industry is studying a number of schemes for the project which envisages the annual production of around 10,000 tonnes of nickel metal. Its likely cost is put in the region of Frs.1.5bn. to Frs.2bn. (£222.5m.) and, if necessary, the venture will be conducted via a State majority holding in the operating company.

Of major importance to the future of nickel mining in New Caledonia is the proposed new tax system which, if approved by the French Parliament, will replace the previous punitive 11 per cent. tax on ore and nickel exports by a 6 per cent. rate which will reduce to 3 per cent after five years. The 3 per cent rate will remain as a minimum, but a tax of 30 per cent. on company profits will be introduced.

ANGLO UNITED RAISES $0.4M.

Canada's Anglo United Development has raised $400,000 via a private placing of 600,000 of its treasury shares to Northgate Exploration. The new funds are to be used for the exploration of 38 prospecting licences in Ireland which are held by France's Penarroya.

But the money is being retained pending the finalisation of a new joint venture agreement between Anglo United, Penarroya and West Germany's Preussag. The licences being probed by Anglo United include the Mallow base-metal area of County Cork where high silver values of up to 6.9 ounces per ton were obtained earlier this year.

Anglo United were 57p yesterday.

Off-track bets turnover up 14.5%

By Michael Thompson-Noel

AT £138.2m., off-track betting turnover in Britain in October showed a 14.5 per cent. gain on October last year, according to provisional figures from Customs and Excise. The betting duty paid by off-course bookmakers in October totalled £11.0m., compared with £10.4m. 12 months previously.

There were sizeable turnover gains in other gambling sectors. On-course bookmakers paid £620,000 in tax, compared with £531,000, the horse racing tote paid £170,000 (£131,000); and dog tote operators paid £271,000 (£223,000).

Football pools operators paid 10.1m. compared with £8.8m. in October 1974; and the bingo duty totalled £612,000 (£628,000).

Total betting and gaming duties in October were £26.5m., compared with £23.4m.

'Facelift' urged for coinage

BRITAIN'S decimal currency was strongly criticised by Seaby's, the coin dealers, yesterday as "probably the most unlovely in the whole history of our country."

The dealers call for British coinage to be redesigned in 1977 to mark the Queen's Silver Jubilee.

In its fifteenth annual catalogue—Coins of England and the United Kingdom — Seaby's also urges one new design each year of either the 50p or 0p piece to mark some aspect of British industry and invention—preferably related to export.

"We need to blow our own trumpet just a little more vigorously," they add.

More tax relief in Jersey

IMPROVED TAX RELIEF on earned income was announced by Senator Cyril Le Marquend, Jersey's "Chancellor," while presenting the island's Budget yesterday. But no substantial changes in direct or indirect tax were recommended and a standard rate of income tax is to remain at 20p in the £.

Income tax returns for this year are expected to yield £20.9m., against an estimate of £18.8m. made earlier this year. Anticipated returns for 1976 have been increased from £22m. to £25.1m out of a total island Government income of £45.5m.

NEW 'SAVE IT' TV CAMPAIGN

A NEW series of six TV commercials designed as part of the Government's Save It campaign to focus attention on the need to conserve energy in the home, is launched this week.

The 30-second commercials, featuring animated houses, emphasise the importance of economising on central heating and hot water, and the benefits of loft insulation, tank jackets and draught excluders. The commercials will run on all independent TV stations until mid-March.

More council homes built in Scotland

HOUSE BUILDING by public authorities in Scotland had improved from the level two years ago, Mr. Hugh Brown, Under Secretary of State for Scotland.

The Government-backed Scottish Special Housing Association would complete about 4,000 houses this year. "This will be a fine building performance," he said.

"But I should also like to congratulate other public sector housing authorities in Scotland on the improved position from two years ago, when public sector housing in Scotland was at its lowest ebb."

Mr. Brown was speaking at a ceremony in Port Glasgow to mark completion of the 15,000th house built by the Scottish Special Housing Association.

Orkney Council in cargo talks

TALKS are to be resumed next week between the North of Scotland Shipping Company, Aberdeen, and the Orkney Islands Council on the £82,000 subsidy which the company receives annually from Orkney.

The Orkney Council is considering withdrawal of this subsidy but is first asking for the shipping company to provide further information as to what the level of freight rate increase would be. Negotiations have been in progress for several months now.

Oil, gas hunt in Scotland

OIL Exploration, Edinburgh-based company, has been granted a licence to explore for oil and gas in the Lothian and Borders regions of Scotland. It is the fifth licence for onshore exploration granted in Scotland.

The company will carry out prospecting and geological surveys, including drilling to 1,000 feet. Local authorities and landowners will have to give permission first.

Mersey labour study planned

A THREE-YEAR study of industry on Merseyside to determine exactly how much employment in the area depends on Liverpool port and motor vehicle assembly is being undertaken by Liverpool University and financed by the Leverhulme Trust with a grant of £35,000.

Mr. Peter Stoney, lecturer in the Department of Business Studies and supervisor of the project said the North-West of England and Merseyside in particular had suffered more than most other regions from heavy unemployment.

The Department of Business Studies had been fortunate in obtaining offers of co-operation from the Harbour Authority and the motor companies British Leyland, Ford and Vauxhall, which have plants in the area.

Plan for wider M1 in Herts

The M1 is to be widened from dual carriageway to four lanes going north and three south between the Breakspears and Berrygrove junctions in Hertfordshire.

BIDS AND DEALS

Swiss company exempted from full Whiteley bid

BY MICHAEL LAFFERTY

EXEMPTION OF a Swiss company from the normal takeover code rules requiring a full bid for a British company when a major shareholding has been acquired, has been decided on by the City Takeover Panel in what it describes as "a very special case."

The case is that of B. S. and W. Whiteley, the U.K. electrical insulating pressboard group, in which four Swiss companies together own 33.4 per cent. of the equity.

Although a company is normally required to make a general bid when it acquires a holding in excess of 30 per cent., the Panel in this case is only requiring the Swiss interests, which have consolidated their holdings in a company called H. Weidmann AG, to reduce their holdings to not more than 25 per cent. of Whiteley.

Although the Swiss holding in Whiteley had been cleared by the Monopolies Commission in August, the City Panel said in a statement last night that this appeared to be a very special case "one in which the requirement of a mandatory bid might have resulted in the transfer abroad of control of the sole manufacturer of electrical insulating press board in the United Kingdom."

In all the circumstances it appears that the Panel considered the general interest would best be served by its agreeing that no mandatory bid would be required if the parties reduced their total holding to not more than 25 per cent. of Whiteley by June 30, 1976 and in the meantime refrained from voting more than 25 per cent.

H. Weidmann has given an undertaking that this will be done.

INVESTMENT TRUSTS TO MERGE

Electric and General Investment is making an offer worth 31½p per share (£2.34m. in total) for Washington Investment. Both are authorised investment trusts in the Henderson Administration stable.

The terms of the offer are 105 shares in Electric and General for 200 shares in Washington. E. and G. closed ½p firmer last night at 59½p with Washington unchanged at 29p.

Washington came to the market in 1972 by way of an offer for sale at 100p per share. Subsequent market movements and the elimination of a large foreign currency loan, based on currencies that moved badly against the trust, have left the fund greatly diminished. Shareholders' funds dipped to £2.7m. and the net asset value is currently below 40p, having been even lower at the bottom of the market.

The reason for the take-over is that at its present size Washington has ceased to become a viable operation and it is therefore being merged into the much larger Electric and General. The portfolios of both trusts have a U.K. equity proportion of under 50 per cent., in line with general Henderson policy.

DAWSON & BARFOS

The offer by Matthews Holdings for the capital of Dawson and Barfos has been declared unconditional and will remain open for acceptance until further notice. The cash alternative has now closed. Acceptances have been recived in respect of 88.8 per cent. of the issued share capital of Dawson.

SHARE STAKES

Shop Investments has disposed of 216,750 shares (17.4 per cent.) in Frost and Reed (Holdings).

HTV has become beneficially interested in 315,297 shares (25.3 per cent.) in Frost and Reed. HTV has indicated to the company that it regards its holding as a long-term investment.

Tridant Group Printers—Chirit Investment Company has bought a further 15,000 Ordinary shares and is interested in a total of 660,348 shares representing 15.06 per cent. of the equity.

Samuelson Film Service—Mr. N. A. W. Samuelson, a director, has bought 80,795 Ordinary shares in the company.

Lloyds and Holt forecast profit rise

The formal offer document relating to the proposed merger between Lloyds Industries International and Holt Products into a new company called Holt Lloyd International has gone out to both sets of shareholders. The Boards of both companies are recommending shareholders to accept the terms of the merger. The Holt Board and members of the Holt family, plus trustees of certain Holt family trusts, are accepting in respect of 32.7 per cent. of the Holt equity. The Lloyd Board is accepting on behalf of 4.8 per cent. of the capital.

Pre-tax profits of Holt, for the year ending January 31, 1976, are forecast at £800,000 compared with £702,000 in the last financial year. It is the Board's intention, subject to the offer becoming unconditional to pay a special interim dividend of 1.237p per share which, together with an interim declared on September 18 will make a total of 2.007p per share for a 13-month period to February 28, 1976—equivalent to 3.088p gross per share.

Lloyds Industries is forecasting pre-tax profits up from £464,000 to £650,000 for the year to February 28, 1976. The Board intends to declare a special interim dividend of 1.634p per share which, together with an interim dividend paid on September 30 will make a total of 3.254p, equal to 5.006p per share gross.

Had the merger been effective and the combined profits been £1.45m. in line with the forecasts, the newly constituted Board would have declared dividends totalling 3.5p to be covered twice by earnings. For Holt shareholders the merger will represent an increase in income of 32.2 per cent. and for Lloyds shareholders an increase of 7.6 per cent.

NO PROBES

The proposed mergers between Pentos Holdings and Marshall Morgan and Scott and Babcock and Wilcox and American Chain and Cable Company Inc. are not to be referred to the Monopolies Commission.

LONRHO—'LAGS'

Lonrho now beneficially owns some 97 per cent. of the capital of London, Australian and General Exploration Company and intends to despatch on December 31, notices to compulsorily acquire the outstanding shares.

HIGHLANDS AND LOWLANDS

DETAILS OF the proposed reconstruction of Highlands and Lowlands Para Rubber Company whereby the undertaking of Para and its subsidiaries will be acquired by Highlands and Lowlands Berhad (HL Berhad), a Malaysian company recently formed for this purpose were sent to shareholders yesterday.

Shareholders will receive one share of M$0 cents each in HL Berhad in substitution for each share of 10p held in HL Para. Application will be made for the shares of HL Berhad to be listed in London, Kuala Lumpur and Singapore.

BRISTOL & WEST—CALEDONIAN

Caledonian Building Society shareholders at a special general meeting approved the merger with Bristol and West Building Society—the merger becomes effective on December 29 next.

Mr. Andrew Breach, chairman of Bristol and West, said the society intended to develop its business in Scotland and expected to increase substantially the funds available to house buyers through the Caledonian. It was planned to open a number of branch offices in Scotland.

BTR—PERMALI

BTR announces that, prior to its closure the share alternative was accepted in respect of 3,785,782 Permali Ordinary shares which will result in the issue of up to 830,964 BTR Ordinary shares. BTR has now acquired or agreed to acquire, 12,0[illegible] Permali ordinary shares representing 90.8 per cent. of the capital of Permali. The cash offer remains open until further notice.

G. W. DEELEY

G. W. Deeley has released details of the assets and contracts taken over from the joint Receivers of Kay Bevan, of Stourbridge, the GRA subsidiary, for a sum of just over £½m.

E. HILL—DOHM

Edward Hill and Sons, manufacturers of industrial and plastic products, has acquired the plastic injection moulding business of Dohm Industrial for a consideration of £38,000 in loan stock and £24,000 in cash.

ASSOCIATE DEAL

Grenfell and Colegrave on November 28, bought a further 25,000 Trianco Group Ordinary shares at 63p for Sheerwood Trust, a subsidiary of Central-Sheerwood.

RESULTS AND ACCOUNTS IN BRIEF

ARCHIMEDES INVESTMENT TRUST—Second interim, in lieu of final, 2.47p (2.01p), making 4.29p (3.695p) net. Gross revenue, year to October 31, 1975, £83,898 (£95,266). Profit £54,329 (£50,897), after tax £39,863 (£32,781). Earnings per 25p Income share 4.43p (4.18p). Net asset value per 50p Capital share 82.23p (39.15p).

BRITISH INDIAN TEA COMPANY (HOLDINGS)—Gross revenue, for ten months of year 1975, is £12,871 (£10,349). Profit £10,443 (£9,298) less tax £3,685 (£2,647) leaving £6,760 (£3,651). Earnings per share 3.6p (3.0p). Interim dividend 1.5p already announced.

J. DYKES (HOLDINGS) (makers of upholstered furniture)—Interim dividend 0.55p (same). Half year to July 31, 1975 shows turnover £1,997,273 (£1,739,199) and profit before taxation £201,010 (£109,810) before tax £104,525 (£57,153). Dividends £23,873 (same). Retained £72,810 (£29,082). Board is confident that whole year's profit will show an improvement over last year.

EDINBURGH ICE RINK—Trading loss, year ended May 31, 1975, £13,716 (£1,666). Tax nil (same). Loss per 25p share 10.39p (1.26p). Board have taken steps to rectify trading position and is confident of great improvement in financial position during current year.

EMPIRE PLANTATIONS AND INVESTMENTS—Dividend in respect of year ended March 31, 1974 of 0.1p, already declared, will be paid on January 30.

FLIGHTSPARES—Sales year to April 30, 1975 £983,643 (£830,053)—exports £582,537 (£230,231). Profit £59,965 (£37,549) less tax £31,600 (£20,000). Interim dividend in gross £3,000 (same), forward £61,842 (£35,405). Chairman says view of outcome for 1975-76 is reasonably optimistic. Meeting, Westcliff-on-Sea, December 22, at 2.30 p.m.

GENERAL FUNDS INVESTMENT TRUST—Net revenue for third quarter, before tax, £72,298 (£54,762). Net asset value per share at October 30, 1975, 149.7p (144.7p). Net asset value per Convertible share 119.4p (115.8p).

THOMAS HARDMAN AND SONS (makers of heavy industrial fabrics)—Interim dividend 0.325p (0.804p). Turnover half year to October 4, 1975, £825,214 (£356,607) and loss £1,893 (profit £32,703 before tax £14,000). Six months of reduced deliveries, allied to a policy of stock-building, inevitably proved unprofitable. Directors believe that decision to maintain a moderate level of production will be justified in medium-term, and have decided in consequence to pay an interim dividend, though at a lower rate than has been customary.

LONDON CREMATION—Pre-tax profit £21,411 (£21,026) for six months to September 30, 1975.

WM. MOWATT AND SONS (property and hide and skin factors)—No dividend (same). Turnover, year to May 31, 1975 £301,344 (£96,331). Profit £452 (loss £23,116) plus tax credit £242 (£9,500), leaving profit £694 (loss £13,616).

SINGLO HOLDINGS—Dividend in respect of year ended March 31, 1974 of 0.14p, already declared, will be paid on January 30.

"THE TIMES" VENEER—Interim dividend 0.17p (0.2p) on increased capital. Sales six months to June 30, 1975 £1,486,710 (£1,455,947). Profit £63,763 (£91,327) before tax £35,130 (£47,300). Results for second half year expected to conform to pattern of previous years.

Hoechst sees belated signs of stability

BY GUY HAWTIN

FRANKFURT, Dec. 2.

CHST, one of the three st West German chemical rns, suffered a further fall mand in the third quarter is year. But an interim t published to-day states the situation appeared to ise towards the end of the t period.

nestic turnover, said the t, reached the total of the ding quarter but exports still substantially down. demand, it added, led to -utilisation of capacity in areas of production.

average, utilisation of ity in the third quarter of fell to a dismal 56 per cent. ver growth was satisfactory in the sectors of pharmacals, cosmetics, plant construction and welding technology, ndustrial gases.

echst's performance worldshowed a 3 per cent. fall in ver in the third quarter ared with the same period 974. Overseas turnover, er, showed a slightly lower e of 4.5 per cent.

r the first three quarters year, pre-tax profits have hit far harder than turn- On a global basis they ed by 53 per cent. from an ge DM1.31bn. for the first nonths of 1974 to DM610m. s for the parent concern st AG show a 53.7 per cent. from an average DM713m. M330m. A direct profit rison with the first three rs of 1974 shows an even r decrease in profits.

r the full nine months of ear, Hoechst's world-wide er was off, on average, by r cent. It fell from 1974's 12bn. to DM14.86bn. stic turnover was down by r cent. from DM5.52bn. to 2bn., while overseas turnover rose by a trifling 0.4 per cent. from DM9.6bn. to DM9.64bn. Profits as a percentage of turnover fell from 9.5 per cent. to 4.1 per cent.

Hoechst AG showed an overall average turnover decline of 14.9 per cent. Direct comparisons show it dropped from DM7.39bn. to DM6.17bn. Home turnover fell from DM3.56bn. to DM3.22bn.—a drop of an average 8.3 per cent. Overseas turnover plunged by an average 21.1 per cent. from 1974's DM3.82bn. to DM2.94bn. Exports as a proportion of turnover declined from a 1974 average of 51.5 per cent. to 47.7 per cent.

The concern commented that earnings were hard hit by underutilisation of capacity. Performance was also hit by increased prices of raw materials and rising costs.

On a more hopeful note, however, the report stated that demand started to stabilise in September and that turnover showed some improvement. In the plastics and fibres field, where demand has been particularly weak, prices might see some improvement.

The poor business situation has led to short-time working in many production areas. Currently, said the report, some 21,000 Hoechst employees in the federal republic were on short time. It is understood that a number of senior executives have had to take their turn on short-time—more as a political act of solidarity with the concern's ordinary employees, presumably, than because of real necessity. Despite this, in the first nine months of the year there has been a decline of only 1.5 per cent. in the Hoechst AG labour force while the fall for the inland group as a whole has been only 1.6 per cent.

Cautious note at GHH

BY ADRIAN DICKS

BONN, Dec. 2.

GUTEHOFFNUNGSHUETTE, the major West German industrial holding company, announced to-day that orders during the year ending last June rose 8.2 per cent. from their level a year earlier to reach a total of DM11.9bn. At the end of the year 1974-75, the order book had declined to DM10.6bn., but the company announced that by the end of October it had once again risen above the DM11bn. level.

In spite of last year's increase in orders, GHH stated that turnover declined by 5.5 per cent., partly as a result of continuing declines in copper prices.

In keeping with previous announcements, the GHH Board recommended a dividend of 14 per cent., unchanged from the previous year.

However, the Board also sounded a note of caution with regard to future prospects, warning that in spite of the largely favourable developments of recent months, parts of the group continue to operate well below capacity. It also expressed the view that definite evidence of a recovery in domestic and foreign demand remains to be seen. Last year, as in previous years, exports accounted for about 40 per cent. of the group's business.

Paris listing for Martell

CHRISTOPHER DUNN

COGNAC, Dec. 2.

TING on the Paris market en arranged for the French group Martell, which was d in 1780. The list closes ember 16. Dealings begin cember 17 and the minipening price after the sale der is Frs.480. One-quarter 729,900 shares in issue p capital Frs.94.9m.) will e available to the market, pro rata from the existing olders' stakes. Currently rtell family controls all equity and even after the sale will still own about cent. So there is no queso loss of control.

the minimum indicated he market capitalisation s.350m. (about £49m.); ield is 3.1 per cent. e price/earnings ratio a oking 18 or, according to alculations, 14.6. Profits ar were also swollen by xceptional credit of m., the difference bebooks value of the assets ed in the warehouse fire of September, 1974, and insurance reimbursements.

The stated reasons for the quotation are to bring the existing capital structure more up to date, and also to spread the equity a little wider. It will, of course, give members of the family an opportunity to raise cash by putting a value on their equity.

In addition the quotation has almost certainly been made with a view to raising cash at some future date. M. Rene Firino Martell, a member of the group Managing Board, admitted as much when he said a rights issue might take place within five years.

The accounts for the year to June 30 1975 underline the pressure on current capital resources. Borrowings rose from Frs.47m. to Frs. 79m. and a cash flow analysis shows the bulk of this going into working capital (it should be pointed out that proceeds of the share sale will not be ploughed back into the business).

A consequent increase in finance charges from Frs.14.9m. to Frs. 22.9m. helps to explain the sharp decline in profits last year. Trading profits declined from Frs.48.7m. to Frs.31m. and earnings before exceptional items also declined to an estimated Frs.10m. (1973-74 Frs.13.4m.). Group sales of cognac fell from Frs.364.8m. to Frs.316.6m.

Martell also notes a considerable decline in volume sales and this apparently reflects general difficulties for the brandy business as a whole. Good harvests, coupled with over-production, have led to a downward pressure on prices. But collective agreements on fixed selling prices have now been hammered out and this could be one reason why the group sounds optimistic about prospects for 1975-76. Volume sales are forecast to grow by about 8 per cent. and M. Rene Martell is expecting that the profit improvement will be in excess of this percentage gain.

iber Hegner reorganises

JOHN WICKS

ZURICH, Dec. 2.

NTERNATIONAL trading Siber Hegner is to carry top-level reorganisation mme as of January 1, n order to increase the operational efficiency. oup management, which expanded by the addithree managing directors, ass from Siber Hegner AG, of Zurich, to Siber and Co. AG, also of the former company to onsible for group particiand the latter to become gement service unit.

operational activities undertaken by Siber and Co. AG will be taken y Siber Hegner Rohstoff therto Siber Hegner ImG) and Siber Hegner en AG (hitherto Siber Export AG), while the Hegner Textil AG will e operations under the ame.

the financial year ended , 1975, consolidated turnover of the Siber Hegner group fell by 4.4 per cent. to Sw.Frs.854m. (893.2m.). Based on the Swiss-Franc exchange rates as of December, 1973. However, group sales would have increased by 12.3 per cent. to SW.Frs.1bn. A geographical breakdown of group turnover for 1974-75 shows a 20 per cent. decline in Far Eastern business to Sw.Frs.374m. (467.5m.), while European turnover went up 13 per cent. to Sw.Frs. 468.5m. (414.6m.) and sales in other areas up 3.6 per cent. to Sw.Frs.11.5m. (11.1m.). By product group, turnover fell by 2.2 per cent. to Sw.Frs.486.2m. (497m.) for industrial raw materials, by 3.1 per cent. to Sw.Frs.231m. (238.5m.) for consumer goods and by 13.2 per cent. to Sw.Frs.136.8m. (157.7m.) for technical products. The sharp fall in Far Eastern business was connected particularly with the devaluation of over 20 per cent. of local currencies against the Swiss Franc.

The current year 1975-76 will not be a good one for the group, it was stated to-day at a Zurich press conference, with group turnover expected to decline by a further 20 per cent. to 25 per cent. The decrease will be of over 25 per cent. for industrial raw materials, according to company spokesmen, by 10 per cent. to 15 per cent. for consumer goods and by about 40 per cent. for technical products. Various group subsidiaries will be running at a loss. Nevertheless, the group management expects to be able to repeat this year's dividend of 15 per cent., calling for the distribution of Sw.Frs.1.5m. For 1974-75, the Siber Hegner Holding dividend had dropped to Sw.Frs.1.8m. (Sw.Frs.3.23m.).

Among new developments in the group this year have been the creation of the watch distribution company Chronoswiss Handelsgesellschaft, of Vienna, the chemical and fibres trading company Siber Hegner and Co. GmbH, of Hamburg, and the textile products offshoot Etacol Hong Kong, in the Crown Colony.

Pakhoed in U.S. bid talks

By Michael Van Os

AMSTERDAM, Dec. 2.

PAKTANK, the tank storage operation of the large Dutch Pakhoed group, has once again opened negotiations in the U.S. aimed at acquiring the Houston-based storage and transportation Company Robertson Distribution Systems. A statement from Pakhoed in Rotterdam to-day valued the proposed transaction at around $25m., which amounts to a bid of $22 per share for RDS shareholders.

About two years ago, Paktank was involved in talks with Robertson which aimed at the Dutch company acquiring a 25 per cent. stake in RDS with the ultimate intention of raising the interest to 40 per cent. At the time, Paktank offered nearly $7m. for the 25 per cent. stake, but talks were later broken off as no agreement was reached on the price.

Robertson achieved a turnover in 1974 of about $42.5m. with net profits amounting to $3.2m. It is active in the field of storing and distributing petro-chemical and chemical products and the company is based in Texas's petro-chemical centre.

Pakhoed said in Rotterdam to-day that more details were expected after December 15, when the RDS Board of directors was meeting to discuss the offer. The acquisition, it was added, fitted in with the company's plans to further expand international activities, particularly in the U.S.

A Pakhoed spokesman disclosed that in the current five-year plan, 1975-80, the investments of its Paktank subsidiary would total around Fls.800m., of which some 60 per cent. would be in the U.S.

Cedel moves to ease difficulties

By Mary Campbell

CEDEL has announced two moves to ease difficulties experienced by its participants in clearing bond transactions involving participants in other clearing systems.

As from next January 1, credit will be available to Cedel participants who sell bonds to participants in Euroclear on the settlement date rather than on the day of delivery of the bonds to Euroclear as at present.

The interest benefits to Cedel from the delay has in the past been credited to all its participants on an equal basis. The change will therefore benefit active traders via Cedel at the expense of inactive traders.

In the second move, to be introduced from next February 16, Cedel has arranged for all deliveries of D-mark denominated Eurobonds between participants in Cedel and participants in the German Girosystem to be made by book-keeping entries for the same tariff as is now applied to transactions of bonds denominated to other currencies.

This involves a move away from non-fungibility by Cedel since the bonds are to be held by the Frankfurter Kassenverein on a fungible basis. Cedel is however retaining its services to participants who require certificate numbers on bonds denominated on in currencies other than the D-Mark.

The general benefit in the form of easing transactions between German and non-German buyers and sellers is likely to be such that fungibility had to be accepted, Cedel said yesterday.

After a Board of directors meeting earlier this week, Cedel said that total Eurobond issues in the first eleven months of this year totalled some $5.5bn., compared with $1.9bn. in the whole of last year and $5bn. for 1972, hitherto a record year for new issues in this market. The number of participants in Cedel is expected to reach 700 by the end of the year, while the number of issues accepted by the system rose from 1,326 to 1,518 in the first ten months of this year.

A $40m. Euromarket loan for the African Development Bank was signed in London yesterday. The five-year loan offers a spread of 1½ per cent. Lead managers are Scandinavian Bank, Credit Commercial de France and First Boston (Europe).

AUSTRALIAN PROPERTY

Slump Down Under

BY JAMES FORTH IN SYDNEY

LAST WEEK the New South Wales Valuer-General slashed at least $A300m. from the valuations of Sydney's central business district (CBD). The 1975 valuations cut the CBD back by an average of 35 per cent., on some city properties the reduction was more than 50 per cent. The unprecedented reductions—the sharpest since the depression days of the 1930's—graphically illustrates the currently depressed state of the Australian property market. The previous Sydney CBD valuations were carried out in January 1973 when the property market was flush, buoyed by a surge of foreign capital taking advantage of an undervalued Australian dollar. The lower Sydney VG valuations, on which council rates are based, are in line with current market prices, as shown by recent property sales.

The stagnation in property is most evident in the commercial sector but the rural and residential markets are also poor, although there are some slight signs of an improvement in the latter.

Cost rises

The main problem facing commercial property developers is that there is a huge glut of office space overhanging the market which, together with buildings now under construction, is sufficient to match existing demand for the next five years. Sydney is the worst affected but a similar picture emerges from most major metropolitan cities. Only in the national capital, Canberra, is there an actual shortage of space.

Developers have been faced with sharply rising costs which escalate the cost of projects under construction. Building costs increased by up to 40 per cent. in 1974. Owners are facing increasing costs with rising statutory charges, higher contract costs for servicing plant and equipment, etc.

As an illustration of the effects of inflation on property development, Melbourne's largest office project, Collins Place, currently under construction, is expected to cost as much as $A150m. compared with an initial estimate of $A87m. Prime office space is now available in Sydney at present for about $A10 per square foot compared with $A12 per square foot in 1970. What properties are actually being sold are only yielding 8 to 9 per cent. to investors, and in some cases as low as 7 per cent.

Developers cannot find cheap enough credit lines, nor meet the more stringent requirements from the banks in the wake of the 1974 credit squeeze. The life offices are already stuffed with property investments and reluctant to commit much more, and there is little interest by foreign investors, largely because of discouragement by the Federal Government.

As a result there is little work in the pipeline. In Sydney, for example, there are only two large office projects scheduled for completion in 1978 and two more in 1979. Many observers fear this must ultimately create a sudden shortage down the line and that rents will have to jump sharply to compensate for rising costs. Some industry experts suggest that to obtain an 8 per cent. return by 1980, gross average anual rent would need to be $A19.75 per sq ft and more than $A23 per sq ft for a 10 per cent. return. There is still a big overhang to be cleared first.

Practically all property companies are reporting much lower profits, for 1974-75 and in some cases losses. The latest is Bond Corporation, headed by Western Australian entrepreneur Alan Bond, known internationally for his sailing activities (he headed the last syndicate which challenged—unsuccessfully—for the America's Cup), which last week reported a loss of $A8.9m. Many crashed in the aftermath of the severe credit squeeze in 1974, of which Mainline Corporation was the most notable. Failures are still occurring.

Other fronts

Property companies do not have much to smile about on other fronts. Sales of industrial land are depressed because of the economic recession—which, also, has almost wiped out resort land sales, and flattened retail development.

Rural values are generally poor too, largely because of the collapse of the export beef market and the low demand for wool. The problem was highlighted recently by one of Australia's largest pastoral groups, Marra Developments, which reported massive write downs of its properties less than two years after they were written up. Marra has been attempting to sell properties to ease its liquidity problems, but is finding it difficult to attract buyers.

Despite the problems of the property market, the Government has actively discouraged investment by foreign interests. Guidelines for foreign investment, released recently by the former Whitlam government, showed that it was not prepared to modify this approach. As a general principle, foreign individuals cannot invest in real estate or property in Australia.

Japanese city banks down again

By Peter Duminy

TOKYO, Dec. 2.

JAPAN'S city banks in aggregate show further falls in profit in the six months ended September 30, though on paper the setback was less steep than in the previous six months. The eight biggest banks report combined profits (before special items, transfers and corporation tax) of $602m., compared with $623m. in October-March and $725m. in the corresponding months of last year.

These results came from an expanding deposit base—$143bn. for the eight banks at end-September compared with $135.5bn. six months earlier. Profits were squeezed by a general lowering of lending rates, in line with official monetary policy, while deposit rates could not be brought down until after the close of the reporting period.

Bankers say that comparison with previous results are more than ordinarily suspect. An accounting change deflating profits is that so-called business tax (payable direct to local authorities) has been debited as an operating expense whereas in the past it was lumped with other taxes.

Factors operating the other way were regulations restricting the tax exempt portion of reserves held against price fluctuations of securities, as well as reducing the tax-free allowance for bad debts reserves. These changes may have led some banks to show as profits quite substantial amounts which previously would have gone into reserves.

If all these changes could be eliminated, the results would probably be less satisfactory all round.

Sumitomo reports the highest profits (of $94.5m.) and earnings (of $37m.) though ranking third in deposits, with $20.7bn. Though improved from October-March, the profit figure was still 18 per cent. lower than the record set in the corresponding period of 1974.

Dai-Ichi Kangyo, biggest of the city banks, returned profits of $93.6m. and earnings of $34.3m. from its deposit base of $23.6bn. Fuji narrowly held its ranking as the second largest deposit-holder.

M. B. John battle settled

BY JAMES FORTH

SYDNEY, Dec. 2.

THE TAKEOVER battle for Ballarat valve maker M. B. John ended abruptly to-day when Blue Metal Industries withdrew its offer, leaving the way clear for rival bidder Wormald International. BMI's withdrawal came one day after it increased its offer terms—which were immediately topped by Wormald. In less than six months the price tag on John has jumped from $A7.2m. to $A15.3m. as bidders jostled to acquire the company.

ACTROL, the valve and controls group, started the auction after it bought a 23 per cent. interest in John from the government-owned Australian Industry Development Corporation and offered $A1.36 a share cash for the remainder. The AIDC had acquired the holding two years earlier to prevent the British group Pegler Hattersley succeeding with a partial takeover offer. Actrol withdrew after the Trade Practices Commission blocked the offer. BMI then bought the 23 per cent. holding for $A1.50 a share and offered the same cash price for the remainder, or a slightly higher cash and share bid. This was later topped by Wormald which made three alternative offers: a cash price of $A1.80, a slightly higher cash and share offer, or an even higher straight share offer, worth about $A2.10 BMI upped its bid to $A2.00 cash or five BMI shares plus $A4.80 cash for every four John shares, worth $A2.46.

Wormald immediately countered with an offer of $A2.10 cash or three Wormald shares plus 75 cents cash for each four John shares, worth $A2.58.

BMI has now conceded defeat and withdrawn and the John Board has recommended the higher Wormald bids. However, BMI stands to make a capital profit of more than $A775 000 before tax if it accepts the Wormald cash bid. Actrol made more than $A200,000 from its earlier attempt. The only loser is the AIDC. It paid $A1.50 a share for the parcel two years ago and sold to Actrol for $A1.31 cash. The Wormald cash offer of $A2.10 would have meant about $A1m. more for the AIDC if it had held on to the shares.

Earnings drop at Kiwi

BY JAMES FORTH

SYDNEY, Dec. 2.

PROBLEMS with overseas operations—mainly the U.K. and France—resulted in Kiwi International, the polishes and cleaners groups, reporting a 33 per cent. drop in earnings for the year to August 31.

Kiwi recently ordered the cessation of all manufacturing in the U.K. and reorganised its selling and distribution there. It was decided that supplies for the British market would be drawn from France and the United States. The French and British operations both incurred losses in the past year but the Australian operations did well and the U.S. operations improved.

The directors expect that, in the long term, the recent reorganisation will strengthen the French division. The company believed that the French economy would be more stable than that of Britain.

Profit tumbled from $A1m. to $A674,000 despite a 22 per cent lift in sales from $A30.2m. to $A38.9m. The company is holding its dividend at 2.5 cents a share. The directors said that currency alignments had increased the net assets in Australian dollars by $A937,533 and that non-current assets had been revalued, bringing net asset backing to $A1.35 a share.

Komatsu profits surge

TOKYO, Dec. 2.

KOMATSU, Japan's major construction machinery manufacturer, reports that consolidated net profit in first half ended June 30, rose to $30m. from $21m. previously.

Net sales were $752m. against $646m. Overseas sales increased by 79 per cent. to $328m. due mainly to brisk exports of construction machinery, the company said.

Domestic sales fell by nine per cent. to $424m. because of the recession. But the share of exports in total sales increased to 44 per cent. from 28 per cent. previously.

President Ryoichi Kawai said in a statement that the major growth markets for overseas sales of Komatsu's construction machinery were the Middle East oil-producing countries and the Communist countries.

Overseas sales of industrial vehicles, such as forklift trucks and wheel-type loaders also showed a strong increase, he said.

On the other hand, depressed conditions in the construction industry made it impossible to increase sales at home.

Reuter

African Oxygen expands

BY RICHARD ROLFE

JOHANNESBURG, Dec. 2.

AFRICAN OXYGEN, the South African subsidiary of BOC, has achieved record volume expansion in the 12 months to September 30, helped by active trading conditions for its major divisions which supply gas and associated welding equipment and plant on the one hand and, through Dowson and Dobson, a wide range of mining machinery. Afrox turnover rose from R97m. to R121m. and trading profit from R8.5m. to R10.3m., indicating margins a shade down.

At the net level, however, the rise was only from R4.9m. to R5.1m., but this was after striking a net figure this year of R833,000m. on exceptional items, reflecting extraordinary losses on external borrowings offset by profits on the sale of assets. The official earnings per share figure, before exceptional items, shows a rise from 16.8 cents to 20.4 cents, but without this adjustment the latest figure is only 17.6 cents. The dividend has been raised 0.5 cents over the year to 10.5 cents and the whole performance therefore adds up to a less exciting showing than comparable engineering shares have recently made, while the shares at 125 cents yield 8.4 per cent.

Mizrahi to pay more

By L. Daniel

TEL AVIV, Dec. 2.

MIZRAHI Investment Corporation, a subsidiary of the Israeli United Mizrahi Bank, announces the proposed distribution of a 30 per cent. cash dividend for 1975 (compared with 25 per cent. in 1974) thanks to excellent results.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102½	103½
Ashland 8pc 1987	90	91
Austrasswiss 8pc 1987	90	91
Borregaard 8½pc 1989	95	96
Broken Hill 10pc 1996	101	102
Carrier 8pc 1987	[illegible]	[illegible]
Conoco 8pc 1986	97	98
Consd. Foods 7¾pc 1991	97½	98½
Cutler Hammer 8pc 1987	93½	93½
EIB 9¾pc 1985	101½	102½
Enap 9¾pc 1985	100¾	101½
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	90½	91½
General Motors 8½pc 1980	101½	102½
Granges 9½pc 1985	98	99
GTE 8½pc 1986	95½	96½
New Zealand 9½pc 1982	101½	102½
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7½pc 1988	88½	89½
Quebec Hydro 8½pc 1985	90½	91½
Queensland 8½pc 1987	90½	91½
Scanraff 8½pc 1988	97	98
Shell 8pc 1989	96½	97½
Stand. Oil (Ind.) 8½pc 1985	99½	100½
Tenneco 7½pc 1987	96½	97½
Transocean 8pc 1989	97½	98½
Utah 8pc 1987	91½	92½
Volvo 9½pc 1985	100½	101½
[illegible]		
Air France 9½pc 1982	102½	103½
Ardal 9½pc 1980	101½	102½
Aust. Ind. Dev. 10½pc 1981	104	105
Barclays 9¾pc 1983	100½	101½
Cie Ntl. du Rhone 10pc '82	103½	104½
Du Pont 7¾pc 1979	101½	102½
Esso 7¾pc 1978	100½	101½
General Motors 8½pc 1978	101	102
Montreal 9¾pc 1981	100½	101½
Nippon Steel 9¾pc 1980	99½	100½
Norway 9pc 1980	102	103
Skand. Enskilda 10¾pc '81	104	105

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	83	84½
Ashland 5pc 1988	80	82
Beatrice Foods 4½pc 1992	96	98
Beatrice Foods 4¾pc 1992	105	107
Borden 5pc 1992	95	97
Broadway Hale 4½pc 1987	79½	80½
Canon Camera 7½pc 1990	95	97
Carnation 4pc 1987	85½	87½
Chevron 5pc 1988	98	100
Dart 4½pc 1987	85½	86½
Eastman Kodak 4½pc 1988	120	122
Economic Labs. 4½pc 1987	81	83
Eidai 7½pc 1989	65	70
Fed. Dept. Stores 4¾pc '85	131	133
Firestone 5pc 1988	79	81
Ford 6pc 1986	85	87
Ford 5pc 1988	78	80
General Electric 4¼pc 1987	84	86
Gillette 4¾pc 1987	78	80
Gould 5pc 1987	97	99
Gulf and Western 5pc 1988	84	86
Harris 5pc 1992	70	72
Honeywell 6pc 1986	77	79
ITT 4½pc 1987	68	70
Komatsu 7½pc 1990	101½	103½
J. Ray McDermott 4¾pc '87	116	118
Mitsui 7½pc 1990	102	104
J. P. Morgan 4¾pc 1987	102½	104½
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	90	92
J. C. Penney 4½pc 1987	78	80
Pioneer 6½pc 1988	173	175
Rank 4½pc 1985	42	45
Revlon 4½pc 1987	100½	102½
Sperry Rand 4¼pc 1987	93	95
Squibb 4½pc 1987	89	91
Texaco 4½pc 1988	77	79
Toshiba 6½pc 1988	102	104
Union Carbide 4½pc 1982	103	105
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	83	85
Xerox 5pc 1988	70½	72½

Source: Kidder, Peabody Securities.

INTERIM STATEMENTS

FINANCIAL TIMES REPORT

Wednesday December 3 1975

INTERNATIONAL REMOVALS

One industry little troubled so far by recession is removals. In the U.K. domestic and industrial demand is good. Overseas the increasing internationalisation of business provides an expanding and specialised market.

Steady flow of work

By Arthur Smith

REMOVALS—a diverse and *complex sector with companies* ranging from the one-man operator with a small van through to Pickfords with a workforce of 4,500 and a fleet of more than 630 vehicles—is an attractive industry where professionalism *is* becoming increasingly important but where there is still adequate room for individualism and flair. The entrepreneurs, needing very little initial capital, can identify a trend and move in.

An indication of the scale of the industry is given by the membership figures of the British Association of Removers, a body formed in 1971 by the unification of the National Association of Furniture Warehousemen and Removers, *founded in* 1900, and the British Association of Overseas Furniture Removers, established in 1921. There are some 950 members of the inland group, representing companies operating within the U.K., and 450 in the overseas group. The members of the international groupings are not just British companies able to undertake overseas removals but also foreign groups interested in reciprocal trade.

Reliable statistics are just not available for this diverse industry but there can be no doubt that it is becoming more international. Pickfords, for example, reckons that around 40 per cent. of its business—somewhere between £4m. and £4.5m. in money terms—involves overseas activities.

For many companies the buoyancy of international removals has acted as a cushion against any downturn in the U.K. market. Mr. J. N. Tarsey, president of the Removers' Association, says that the principal demand is from indivduals wanting to emigrate rather than from companies. Middle-class and professional people were leaving the U.K. and favoured the traditional Commonwealth countries like Australia, New Zealand, South Africa and Canada.

Europe

Companies report that removals to Europe have remained steady and have not received any particular boost from Britain's referendum decision to remain within the European Economic Community. The main surge of movement of administrators and professional people to Brussels came a couple of years ago at the time of U.K. entry into the Community.

Demand from individuals wanting to move abroad for their retirement is reported to be down. Malta, Jersey, France and Spain are usually the popular places but the removers think that political uncertainties and the falling value of the pound are factors inhibiting movement.

Multinational companies, and particularly those controlled within the U.S., are an important source of business. It is such enterprises that are likely to shift executives from country to country as part of their management training programmes.

In the U.K., though industrial and commercial removals have increased in importance, it is to households that companies must look for the bulk of their trade. *It is widely accepted by the* removal industry that about 10 per cent. of households move each year.

At a time when housebuilders are passing through their worst recession since the 1930s, the claim by removers that domestic business is holding up seems surprising. But a recent survey by the Royal Institution of Chartered Surveyors showed that during the period June to August this year estate agents in England and Wales sold more houses than over any comparable three-month period since records began in 1969; in other words activity was more hectic than in the housing boom of 1972.

Despite such a high level of movement, the number of properties coming up for sale was still increasing towards the end of the period, the Institution said.

"*It is encouraging that people* have been able to buy and sell residential property, mostly within the £10,000 to £15,000 bracket, more freely than for some considerable time, and without the huge price leaps and gazumping practices of 1972," a spokesman declared.

The removals industry will be watching trends within the housing market very carefully. The Institution attributes increased *buying activity to the record* level of mortgage lending by the building societies, the fact that earnings have now more than caught up with the increase in house prices of 1972, and the idea that long term investment in property *is an attractive* security in any period when the value of money is declining.

Sales at the top of the market —houses costing more than £20,000—have tended to be more difficult but the raising of the ceiling on building society mortgages to £20,000 from January 1 next year might ease the situation. By contrast, sales of old terraced houses under £7,000, which have been good, may be hit by the cutback in local authority mortgage lending.

The other area of removal activity, commerce and industry, might have been thought depressed, in view of the passing of the office development boom and the current low level of business investment. However, Mr. Tarsey, the Removers Association president, main*tains that business is fairly* good and he attributes this to the Government's regional policies and the operations of bodies such as the Location of Offices Bureau.

Benefits

The need to make use of a specialist remover is unquestionable when it comes to the transportation of expensive capital equipment, whether it be heavy plant or a sophisticated computer. Not only must the value of the equipment be considered but also the importance of minimising the disruption to production. The *quicker and more efficient the* changeover, the sooner can business be re-started. Newspapers, where it is essential that not even one edition should be lost, provide one of the best examples of the benefits that an *expert removal company can* ensure.

Such operations require a high level of advanced planning and underline the emphasis which the Removers Association places upon training, good management, and professionalism.

While the removals industry has been quite fortunate to the extent that demand has held up well, it does face the same problems of rising costs as other industries. New vehicles —special bodywork and equipment is usually necessary—are a particular burden. Wages and associated overheads are another important cost factor for this labour intensive industry. Companies must keep up to date with legislation—not only in this country but also within the EEC—which will affect operations. Two major *areas of uncertainty at the* moment are the EEC regulations, scheduled to come into force on January 1, next year, to cut driving hours from ten to eight a day and to make the fitting of tachographs compul*sory in new vehicles.*

The British Government is seeking a two-year deferment of the first regulation and a delay in the introduction of the tachograph — a device for recording speeds and hours of driving and known emotively as "*the spy in the cab.*"

The Removers Association is anxious to learn from the experience of European operators and its professional body, the Institute of the Furniture Warehousing and Removing Industry, recently concluded a study tour of Belgium, West Germany, Switzerland and France.

The study reported that it was clear European firms aimed for a much higher gross profit than their British counterparts. "A considerable part of this goes to net profit on turnover and this appears to be in the *enviable region of 20 per cent.*, dwarfing the 10 per cent. most U.K. firms have been accustomed to aim for."

However, the report does point out that the picture may have been distorted by the tour members visiting only larger firms which may have needed such a large net profit "to justify the very substantial capital outlay that was apparent, particularly in office and operating premises and in higher quality vehicles." Indeed, spending on fixed overheads was "lavish" when compared with that in Britain.

The high gross profits are attributed in part to a licens*ing system operating in* Belgium, West Germany and France which has the effect of limiting low price competition. "The picture indicated to our tour party was one in which limited competition allowed high profits and sophistic[ated] modes of operation and, the[re]by, *a much happier state* [of] affairs than that which obta[ins] in the British industry. [But] again, it is worthwhile point[ing] out that we generally saw [only] the larger and more prosper[ous] firms," the report states.

The study recommends [that] the British Association of [Re]movers should take a look [at] costing to see whether U[.K.] firms were not underpricing [ser]vices and whether a gross [mar]gin of 70 per cent. was [nearer] *nearer to what the trade need[ed]* to remain healthy rather th[an] the 50 per cent. to which it ha[d] become accustomed.

The general impression [the] removers got from all the co[un]tries visited was that, altho[ugh] *companies were long establi[shed]* and professional, they were [not] always economical in th[eir] methods. "With the excep[tion] of France, there was a gr[eat] waste of warehousing space [and] of utilisation of vehicles."

While the Europeans gave [an] immediate impression of be[ing] more professional, using [more] cartons and plastic cases [to a] greater extent, British remov[ers] were more efficient in m[any] aspects, the study concluded.

The moral which the re[port] draws from the tour [is] that both British and Europ[ean] operators have a lot to le[arn] from each other and a reg[ular] exchange of information [is] recommended on topics su[ch as] tariffs, costs, profit margins [and] licensing systems.

The industry is conscio[us of] the fact that operations [are] becoming not only more so[phis]ticated and professional [but] also more international. [The] removers are grateful that [busi]ness during the present [reces]sion has remained fairly hea[lthy] and are now looking ahead [to] further growth and deve[lop]ment.

Moving house a constant habit

DOMESTIC house removals con*tinue to be the major part of the* total removals business, and although the greater mobility of employment in recent years has, like, the growing international sector, added a different aspect to the business its basic character remains the same.

About 10 per cent. of British households traditionally move every year, and conform to a seasonal pattern—peak times for removal firms come in the spring and late summer when what is called "the mature household," in other words one that has acquired possessions and children, makes its move. The school holidays are still a favourite time.

Although it is said that most people still move for the sake of moving—they want a larger house, feel like a change of environment, or want to move out of town—there is no doubt that the move initiated by a movement of the factory or office work base is becoming increasingly important. The larger removal companies offer package deals to companies moving to a new location and staff can now enjoy a well-planned and unfussed move at their company's expense.

Throughout the world there is now more and more movement of households from one country to another and since this is invariably caused by the breadwinner of the household being posted, a few companies have made good business out of undertaking these household moves on behalf of companies. Oil companies are perhaps the best example in this area, since their employees are often on the move. *North Sea oil* has greatly increased the international removals market in Britain, and EEC membership is expected to add furthe[r to] the business.

International removals [re]quire rather more planning [and] knowledge than a move w[ithin] a country and the requirem[ents] for each individual coun[try are] slightly different. Com[panies] with overseas *division[s like]* Pickfords have leaflets o[n the] particular problems [of] various countries and the [pro]cedures to be adopted.

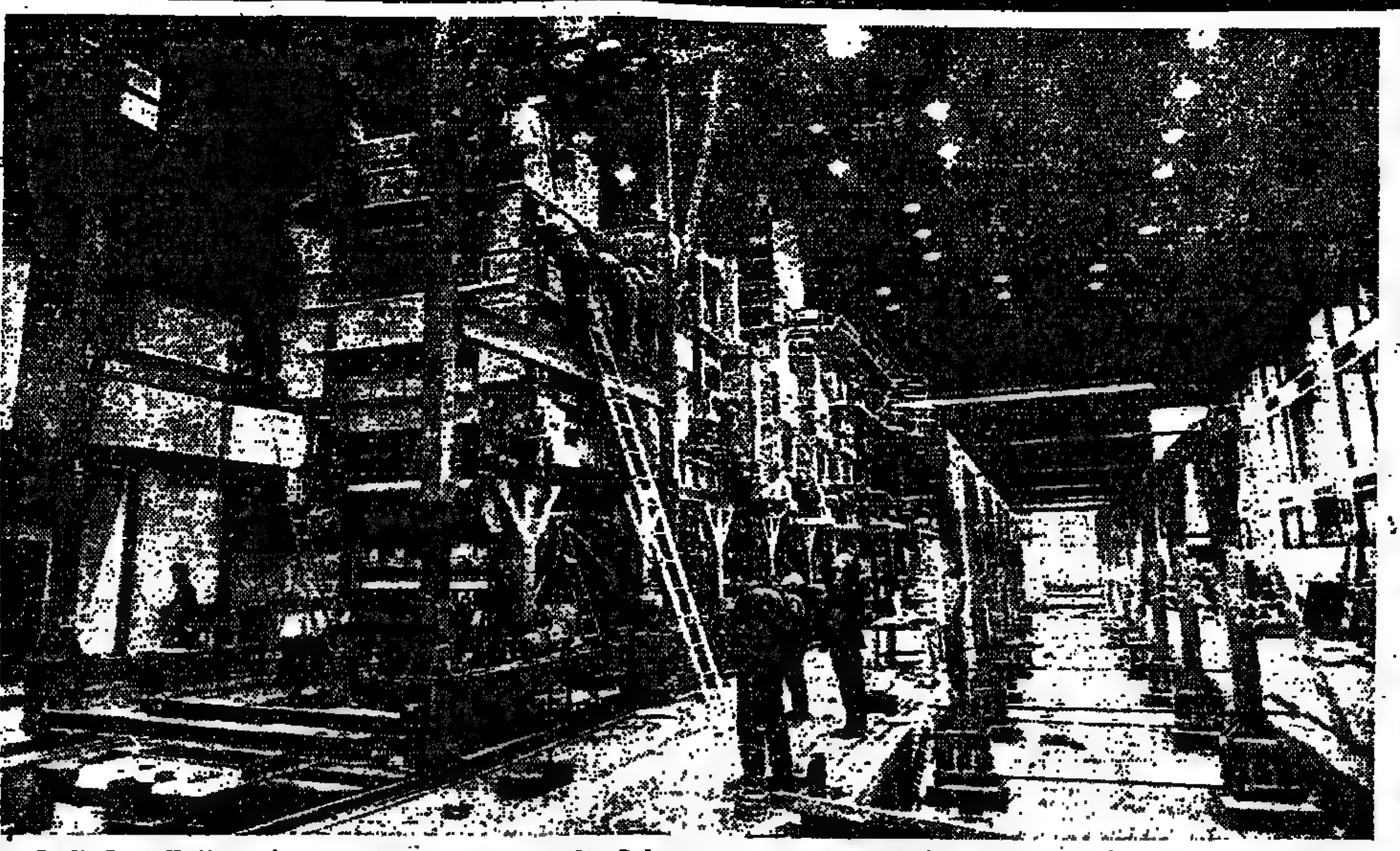
Network

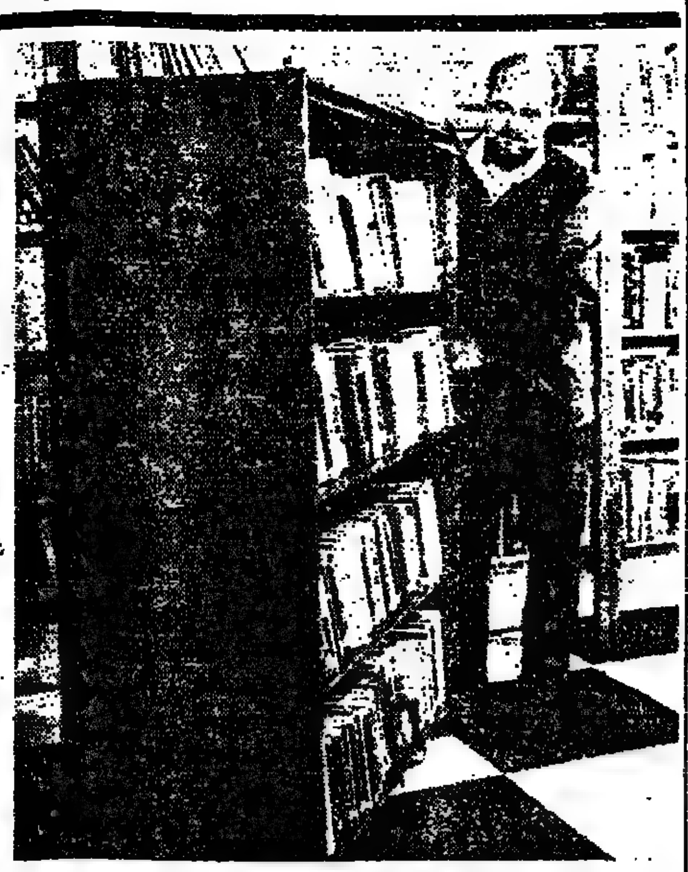
One of the best known [com]panies that specialise e[xclu]sively in international mov[es is] Global International, an A[meri]can company that is unique [in] having a network of o[ffices] located all over the world. [This] means the destination en[d of] the move can be as well o[rga]nised as the departure [end.] Global's philosophy is [that a] company that simply pac[ks] a person's home, ships it and leaves it to a shipping [agent] to receive at the other e[nd is] doing only half the job. [They] argue that it is at the des[tina]tion end of the journey [that] problems are most likel[y to] occur.

Global issues a booklet [to] potential international [ho]movers giving them a check[list] that covers everything f[rom] inoculations to a simple br[eak]fast on moving day, quite a[part] from the physical move it[self.] Goods are packed into spec[ially] designed containers fitted w[ith] bracing equipment inside [for] extra security.

Oil company employees [on] the move have *found* ad[vice] about Middle East countries [par]ticularly useful since there [are] changes in climate that

CONTINUED ON NEXT PAGE





Left: Installation of new rotary presses at the Oslo evening newspaper Aftenposten in Norway. Manufactured by MGD Graphic Systems in Preston Lancs. the presses are being moved by Beck and Pollitzer Engineering and placed by the company in conjunction with MGD fitters. Right: Pickfords trolley which keeps the books in sequence during library removals.

Industry's growing mobility

T IS ONLY in comparatively ecent years that industry and ommerce have become mobile. Jp to a few years ago it would ave been almost unthinkable or a company to move its nanufacturing or administrative acilities several hundred miles a new location. Yet nowadays his is an everyday occurrence, nd the demand for specialist rganisations to handle the lanning and physical moving eliably and with the minimum f disruption has given a great oost to this side of the removal usiness in recent years.

One of the main causes of this hange is pure economics, for hile on the face of it it may eem an expensive undertaking move an office or factory to a ew location, the actual savings in be considerable. The most bvious is in differences etween land prices and rents a place like London, when ompared with other parts of ritain, particularly those perating Government incenve schemes in Assisted Areas.

For factories, a frequent ason for a move is simply a uestion of space. If a company nnot expand a manufacturing cility at an existing location, is better in many cases that complete new factory be found mewhere else rather than agment operations. The disdvantages of moving away from, say, London and the ports have been largely eliminated by greatly improved communications.

Other industrial and commercial moves are carried out for reasons that have more to do with the labour force than anything else. There may be a policy of decentralisation, for instance, being carried out by a Government organisation to improve the balance of employment in a particular area, or a company may be responding to Government urging with the same motive.

Boost

In other cases it has been known for companies to move to "escape" a troublesome labour force, and go to an area of unemployment in the hope that labour relations can be given a fresh start and put on a better footing. Or it may simply be that the supply of the right sort of labour is drying up in the existing location and a move, perhaps to a new town with sites and a labour pool, solves the problem. Local government reorganisation has provided a particular boost on the office removal side in recent months.

Increased specialisation and a higher degree of technical expertise have characterised the development of this side of the removal business in recent years. For a manufacturing company wanting to move expensive, heavy and delicate equipment several hundreds of miles to a new site presents a headache that they would rather pass to a specialist, and this produces removals companies that are very much more than industrial or commercial versions of the household remover turning up at the factory and loading a series of trucks.

Companies like the Giltspur Bullens concern, Vanguard and the specialist part of Pickfords make it their business to bring home to management the costs of disruption and down-time which can be minimised by the planning skills of specialists, involving them in planning meetings with the customer perhaps several years before the actual move. There is no doubt that a company on the move has to face costs which may be hidden behind the apparent cash costs of the actual move.

A specialist removal company with the experience of similar moves behind it will get better efficiency out of skilled men, specialist equipment and vehicles, and can use non-working hours, nights and weekends to produce an entirely uninterrupted result. There have been cases, for instance, of newspapers moving their production base from one building to another without losing an edition, and of factories finishing production on Friday in one location and opening up on Monday morning, with the same production schedules, in a new factory.

Such contracts are the forte of companies like Beck and Pollitzer Engineering, which specialise in moving printing presses and other heavy plant.

Vanguard, a company that prides itself on its tradition of approaching every job like a military operation, has acquired a reputation for tackling the seemingly impossible, and cranes and other materials handling devices are as much a part of the company's business as the removal van. Vanguard was the company that marked up, dismantled and removed for preservation 700 tons of late Victorian hydraulic engines from Tower Bridge, to give just one rather unusual example.

Detail

Similarly, Bullens offer what they call a "truly comprehensive" service in factory removals. They undertake not only to move a factory's equipment but take full responsibility for dismantling and setting up at the other end. With highly trained specialists the company will plan the operation down to the finest detail and then at the time appointed and according to a strictly organised plan will move in to disconnect and dismantle mechanical and electrical services, dismantle and move plant, machinery and equipment, and locate and re-erect at the new site, connecting to gas, water, steam and other piped and ducted services. Bullens will even undertake the design, as well as the installation, of electrical systems, including control equipment.

The office and commercial removals field is estimated by Pickfords to involve some 25,000 to 30,000 moves of business and institutional organisations a year in the U.K., and these figures do not include local authorities, health, education, and Property Services Agency moves. Another indicator is that the Location of Offices Bureau says it is responsible for the movement of about 150 companies a year, this group alone employing 20,000 people. Pickfords estimate the market at £10m. a year, and since they also say that only 50 per cent. of such moves are done by removal contractors, there is obviously further growth potential on a fair scale for the removal industry.

Pickfords has just expanded its office and commercial removals division into ten regional centres and has introduced new specialised equipment backed by a new training programme. This side of the Pickfords business was centralised on Croydon and it is an indication of the growth of this market that the new centres are spread widely around the country, including two in Scotland.

The company, as part of this new approach, has designed a new type of removals van which has a 1-ton hydraulic lift built within the body width and inside the enclosed bodywork. The vehicles have a crew cab for up to five. This van is backed up in the new set-up by special plastics containers of 3 cubic feet, designed to stack and nestle and particularly good for accommodating lateral files. Wheeled dollies for the containers make them easily movable, while wheeled book trolleys with shelves have been introduced for the moving of librararies, archives and filing systems. Pickfords has a colour coding system which involves a label being attached to each item which gives a key to the exact location of that item at the destination.

For particularly specialised items for removal there are companies that confine their activities to certain areas. James Bourlet and Sons, for instance, specialise in handling works of art, antiques and pictures and their clients include museums, galleries, and the art trade. In a case like this there are special problems associated with the delicacy of the items involved, and the security aspects. Since this type of consignment is frequently moved around internationally there also has to be special knowledge in the moving company of regulations affecting works of art in the various countries.

In recent times some of the companies specialising in moving works of art have found they can apply their special skills to moving computer equipment which requires almost the same care.

So whether the move in question involves huge pieces of heavy engineering equipment, a few office desks and chairs, works of art, or computers, there has been increasing emphasis in recent years on expertise based on sound training and special equipment. More and more companies are finding that it pays to use the experts.

Hugh Colver

Habit

CONTINUED FROM PREVIOUS PAGE

affect furniture and clothing requirements, as well as alcohol restrictions and religious regulations that make even the import of artificial Christmas trees illegal. For the individual these problems are taken out of his hands, and for the company involved there are no worries over doing a general transfer of people through the one moving company. Global recently moved a man from London to Singapore, while moving his replacement from Los Angeles which was the destination of the London man. Through one removals company, the moves could be integrated.

A British company, solely involved in international moves, also specialises in moving company executives and their belongings around the world. The company, Michael Gerson, recently undertook the ultimate in moves when the former American Ambassador in Britain, Walter Annenberg, returned to California. The move involved the chartering of four jet aircraft to carry £20m. worth of paintings, furniture and objets d'art—and there were still two containers that had to go by sea. Items included paintings by Degas, Gauguin, Cezanne and Renoir, a jade tree, a silver door weighing 2½ cwt. and 700 pairs of Mrs. Annenberg's handmade shoes.

That is not the kind of household move that is an everyday occurrence but with "only" one Bluejohn vase broken it does indicate the expertise in the industry.

On a much smaller scale, and moving away from the international sector, household removal firms in the U.K. still find themselves under pressure from both the do-it-yourself van hire element and the small outfits that undertake removals cheaply, with untrained personnel, no insurance and no standards. Organisations like the British Association of Removers and the Institute of the Furniture, Warehousing and Removing Industry are particularly keen on maintaining standards in the industry, and provide training courses and educational qualifications for the "reputable" end of the business.

However, more and more people are prepared to move themselves and, by hiring the appropriate vehicle and getting some neighbourly help, it can be done quite cheaply, particularly if the move is a short one.

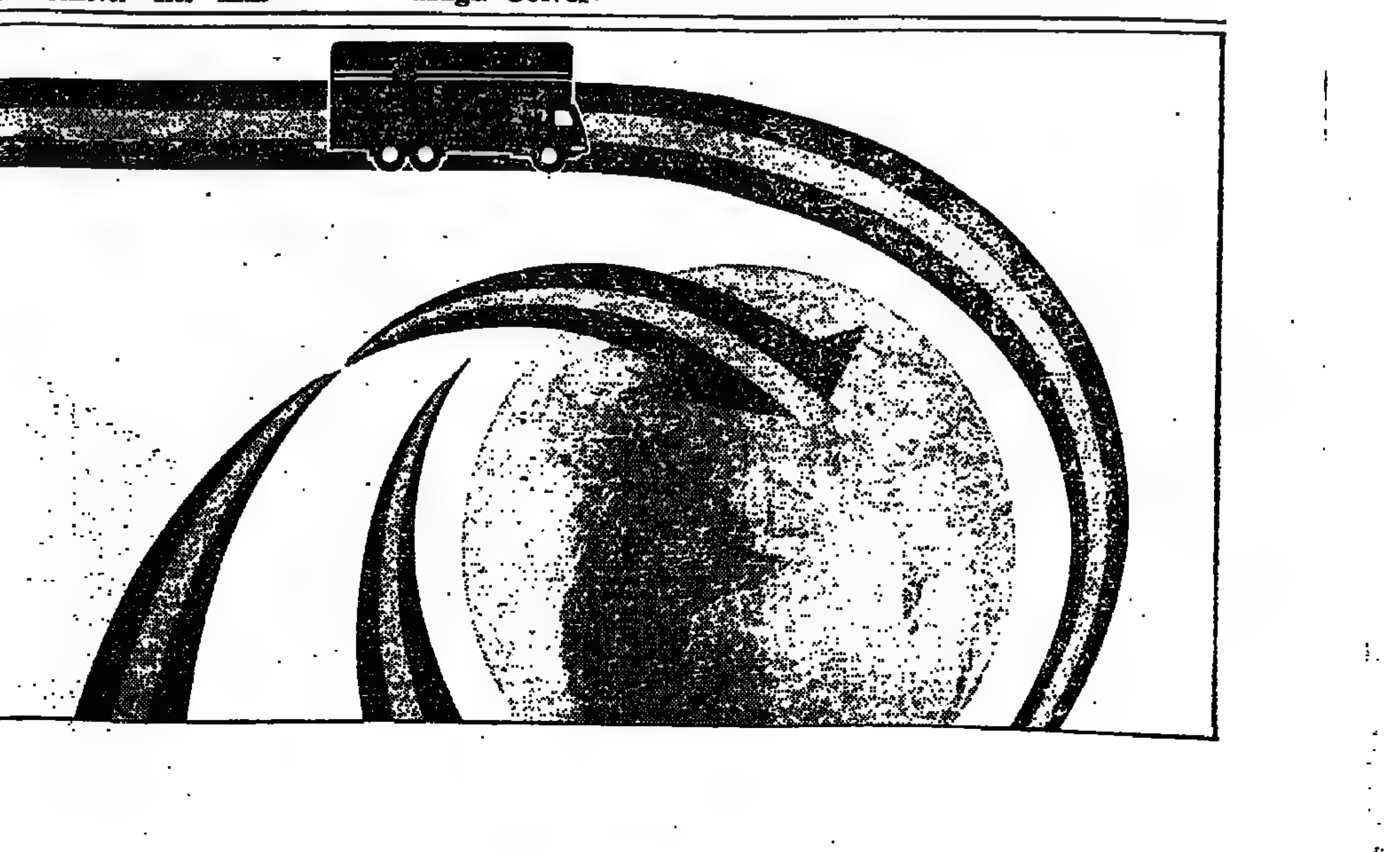
Licence

The established removal companies find the "back street" removal contractor the most difficult to compete with, and criticise the regulations for not having effective control. An operator's licence is required, but provided the authorities are satisfied that the concern is able to maintain the vehicles, is financially viable, and free from previous conflicts with the law, little is needed to qualify. And if the remover uses small vehicles he will not even need the licence.

It is no surprise therefore that the established removal companies have tended to move "up market," since at the lower end of the scale householders tend to go for low price and do-it-yourself. The industry will be quick to point out that if one does not have to pay for training courses, special equipment and operating standards, it is not difficult to undercut on price. It has been thought for some time now that this may change under the EEC umbrella, and certainly Britain has the most liberal licensing arrangements in the Community.

The "mature household" and the international mover will always go for the established, if more expensive, specialist and for these groups this pays great dividends — in calm nerves, insurance and the minimum of disturbance.

Hugh Colver



WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Dow drops further 13 points

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 2

SHARP LOSSES hit Wall Street to-day, when brokers reported concedn about the economic outlook and the fragility of the New York City financial bail-out programme.

The Dow Jones Industrial Average dropped 13.14 to $843.20 and the NYSE All Common Index gave way 74 cents to $47.22, while losses outpaced gains by around five-to-one. Trading volume further expanded 1.88m. shares to 17.93m.

Selling was due in part to the second-straight monthly decline in the Index of Leading Economic Indicators. Investors were also disturbed that the New York City financial support plan could be upset by a pending Court Suit.

A hearing begins Wednesday on a Suit in New York City by a local bank to upset a part of the plan involving a moratorium on certain securities.

International Harvester gave up $2½ to $23⅜ on fourth-quarter earnings of 2 cents per share, down from $1 a year earlier.

"Comsat" sank $2 to $25⅞—it estimated it could lose 33 per cent. of its current revenue because of an FCC decision that "Comsat's" international rates are too high.

Albertsan's tumbled $1½ to $22⅞—it plans to offer 750,000 Common shares.

National Semiconductor declined $2½ to $36⅛, although it received a "multi million" dollar three-year contract to supply A and P with electronic point-of-sale systems.

Over-the-counter Acushnet were marked up $6½ to $17⅞ on American Brands agreement to acquire its Common shares for $21.50 each, or one share of a new Convertible Preferred stock for each Acushnet Common.

Mountain Fuel Supply picked up $1 to $30⅞—it received rate increases totalling about $5m. a year.

The American SE Market Value Index fell 1.27 to 84.08, while declines outnumbered advances by 504-to-149.

Bic Pen dropped $1 to $10¼ on labour trouble at its plant.

OTHER MARKETS

Canada still lower

Canadian Stock Markets continued to lose ground in light trading yesterday, when all sectors participated in the decline.

The Industrial Share Index dipped 1.54 to 175.44, Golds 0.73 to 236.23, Base Metals 0.77 to 72.88, Western Oils 2.09 to 203.75, Utilities 0.82 to 126.79, Banks 0.93 to 238.35 and Papers 1.94 to 96.43.

Bank of Nova Scotia lost $1½ to $42 following a rights offering. Domtar dipped $1¼ to $18 and Masey-Furguson declined $⅜ to $18⅞.

IAC shed $½ to $18½—it plans to convert to a Chartered Bank.

PARIS—Market fell back on widespread profit taking, with Portfolios, Foods, and Electricals the worst hit sectors. Contributory factors were the lower overnight Wall Street advices, and also yesterday's action by trade unions.

Metallurgicals and Oils were mixed. Carrefour gave way Frs.35 to 1,925 after its November turnover figures.

In Foreign Stocks, Dutch and Copper issues were mixed, Germans and Oils slightly lower, Canadians gained marginally, while Americans declined. Golds held their ground.

BRUSSELS—Declines predominated.

Steels finished mixed. Cockerill rose Frs.40 to 1,010 but Clabecq lost Frs.30 to 5,080.

Vieille Montagne moved up Frs.240 to 4,180.

In mixed Chemicals, Tessenderloo were down Frs.40 to 1,800, but UCB were up Frs.85 to 2,850.

Electricals and Utilities were weak. Holdings mixed, while Oils eased.

U.S. shares fell back among weak Internationals. Dutch, German and French sectors were lower. South African Gold Mines firmed.

AMSTERDAM—Broadly lower in a fair volume.

Banks, Insurances and Transportations were all slightly lower.

Dutch Industrials also were predominantly lower. Ahold were down Fls.2.70, Van Gelder Papier Mills Fls.1.60, IHC Holland Fls.0.9 and KBB Beheer Fls.3.

Amsterdamsche Droogdok dropped Fls.6.5 to 79 on its heavy loss for 1975.

Bonds were steady to Fls.0.10 lower.

OSLO—All sections quiet.

VIENNA—Barely steady.

COPENHAGEN—Higher in active dealings.

GERMANY—Shares fell in nervous trading on profit-taking and some lack of investor confidence after yesterday's lower order figures for German Industry in October.

Motors and Engineerings lost up to Dm.5, while, in Electricals, Brown Boveri fell Dm.6 and Siemens Dm.2.80. But AEG added Dm.1.20 after renewed talks with Saint-Gobain-Pont-a-Mousson over the future of the Kraftwerk Union.

Hoechst were down Dm.1.30 on its nine-month figures.

Of the two Bavarian banks that gave interim figures, Vereinsbank lost Dm.1 and Hypobank Dm.2.

Bonds were firm in quiet trading.

SWITZERLAND—Markets eased in quiet trading. Banks, Financials and Insurances shed ground and small losses predominated in Industrials. Chemicals also eased.

State Bonds were generally very steady.

In a moderately active Foreign Market, Dollar stocks and Germans were easier, Dutch Internationals barely steady.

MILAN—Firmer, despite some profit taking.

Bonds were quietly mixed.

HONG KONG—Lower in decreased trading.

Hutchison shed 3 cents to $HK1.64, Jardine 20 cents to 21.90, Wheelock "A" 5 cents to 3.25 and Hong Kong and Kowloon Wharf 20 cents to 11.70.

Hong Kong Bank were up 10 cents to $HK17.10.

TOKYO—Easier, with sentiment affected by the continuing rail strike. Volume 160m. (150m.) shares.

Blue Chips led the initial decline, but selling pressure tailed off.

Foodstuffs were generally weak. Marudai fell Y20 to Y1,370, House Food Y40 to Y1,210 and Nissin Food Y60 to Y2,300.

Oils were lower, and "Large Capital" issues, Petrochemicals and some Plant shares lost ground on profit-taking.

Kyoto Ceramic gained Y80 to Y3,810 on its good business performance.

JOHANNESBURG—Golds were slightly higher, following renewed local and overseas interest. Mining Financials were quiet.

Platinums were lower and Coppers were weaker. Tins were little changed.

Industrials were quiet and marginally easier, while Asbestos issues weakened.

AUSTRALIA—Profit-taking hit some of the "high-flying" Resource stocks and Industrial leaders in another brisk trading session. But the underlying strength of markets was unimpaired.

Pancontinental came back 40 cents to $A8.90 and Utah were 16 cents lower at $A9.80, while Santos slipped 10 cents to $A1.20.

Mary Kathleen Uranium put on 10 cents to $A1.00.

Herald Warrants gave way 10 cents to $A2.10.

Gollin held unchanged at 14 cents after its $A8.67m. loss.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Industrials	Util.	Trading volume† 000's
Dec. 2	63.46	167.86	843.20	82.63	17,930
1	63.51	169.49	856.34	82.83	16,050
Nov. 28	62.64	169.29	860.67	83.27	12,570
26	62.63	169.00	858.55	83.17	15,750
25	62.70	168.64	856.40	83.06	17,490
24	62.67	169.55	845.84	82.39	13,920
21	63.79	170.60	840.76	82.68	14,110
20	63.33	171.15	843.51	82.66	16,450
19	62.70	172.05	843.24	82.66	16,220
18	62.85	174.40	856.24	83.61	20,160
17	62.83	174.57	856.66	83.55	17,660
14	62.78	175.43	853.67	83.56	16,460
13	62.74	175.87	861.25	83.40	25,070
12	62.65	175.22	852.25	83.05	23,990
11	62.51	170.05	838.56	82.57	14,640
10	62.60	169.62	835.48	82.57	14,210
7	62.56	169.99	835.20	82.15	15,900
1975 High	63.99 (4/4)	174.45 (15/11)	881.81 (15/7)	87.97 (26/6)	—
Low	56.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/69)	—
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Nov. 21	Nov. 17	Nov. 22 1974
4.49	4.43	6.16

N.Y. SE ALL COMMON INDEX

[illegible]

RISES AND FALLS

[illegible]

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

[illegible]

STANDARD AND POORS U.S. STOCK INDICES

		*Industrials	*Composite
Dec.	2	99.93	89.33
	1	101.55	90.67
Nov.	28	102.19	91.24
	26	[illegible]	90.94
	25	101.57	90.71
	24	100.40	89.70
	21	100.22	89.33
	20	100.38	89.64
	19	100.73	89.98

[illegible]

STOCK AND BOND YIELDS

[illegible]

TUESDAY'S ACTIVE STOCKS

[illegible]

MELBOURNE YIELDS

Wge yield on 50 Leading Stocks	Nov. 27	Nov. 21	Nov. 17
On Dividends	6.34	6.49	6.45
On Earnings	10.54	10.83	11.43

SYDNEY ALL ORD. INDEX

Dec. 2	Dec. 1	High 1975	Low 1975
[illegible]	[illegible]	[illegible]	[illegible]

TOKYO NEW SE INDEX

[illegible]

HONG KONG INDEX

[illegible]

SINGAPORE INDEX

[illegible]

EUROPE

[illegible]

TORONTO

INDUSTRIAL INDEX

[illegible]

MONTREAL

INDUSTRIAL INDEX

COMBINED INDEX

[illegible]

JOHANNESBURG

[illegible]

£ & $ steady

Sterling remained fairly steady against the U.S. dollar and most other major currencies in the foreign exchange market yesterday. The pound's trade-weighted average depreciation since the Washington Currency Agreement of December 1971, was unchanged at 30.2 per cent., after touching an all-time low of 30.3 per cent. at noon.

The pound opened at $2.0210-2.0220 in terms of the dollar and eased to $2.0135-2.0165 early on. During the afternoon sterling touched 2.0220-2.0230 and closed at $2.0220-2.0210, a fall of 5 points on the day.

The U.S. dollar continued its recent firm trend against other major currencies in the morning, but showed an easier trend during the afternoon. A small amount of support for European currencies against the dollar may have been undertaken by certain European central banks, and the U.S. unit showed little overall change at the close in terms of the other major currencies. The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, narrowed to 1.88 per cent. from 2.04 per cent. previously.

Gold gained $1½ to close at $138¾-139¾ but business was not heavy, with the metal showing a firmer trend following the opening of the New York market. The krugerrand finished at $142¼-144¼ (£70½-71½) for domestic delivery, compared with $141-143 (£69¾-70¾) previously. The coins premium over its gold content narrowed to 2.87 per cent. from 3.08 per cent. in the domestic market, and widened to 3.05 per cent. from 2.72 per cent. in international dealings.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to:	Dec. 2	Dec. 1
Sterling	0.580949	0.580570
U.S. dollar	1.17253	1.17043
Belgian franc	46.2094	46.3159
Deutsche mark	3.06828	3.07640
French franc	5.21278	5.22158
Italian lira	800.779	801.423
Japanese yen	[illegible]	[illegible]
Dutch guilder	[illegible]	[illegible]
Swedish krona	[illegible]	[illegible]

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 2	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankf'rt	—	2.609 11	56.80 90	[illegible]	[illegible]	[illegible]	[illegible]
N. York	38.20-23	—	22.46-48	[illegible]	[illegible]	[illegible]	[illegible]
Paris	168.675 075	4.4467-4507	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	15.06 08	40.36 34	2.26-27	—	[illegible]	[illegible]	[illegible]
London	5.28 30	2.02 021	8.97-99	79.60	—	[illegible]	[illegible]
Am'rdam	102.475-525	2.6507 22	60.515 565	[illegible]	[illegible]	—	[illegible]
Zurich	101.75-84	2.6555 6605	59.55-59	6.766	[illegible]	[illegible]	—

U.S. $ in Montreal. U.S. $=101.22-24. Canadian cents. Canadian $ in New York $ C=98.70-72 U.S. cents. Sterling in Milan 1372.85.

EURO-CURRENCY INTEREST RATES*

Dec. 2 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term†	10¾-11¼	5-5½	7¼-8¼	[illegible]	[illegible]	[illegible]
7 days notice	11½-12	5⅝-5⅞	8¼-8¾	[illegible]	[illegible]	[illegible]
Month	11⅝-12	5¾-6⅛	8¾-9¼	[illegible]	[illegible]	[illegible]
Three months	11⅞-12⅛	6¾-7⅛	9½-10	[illegible]	[illegible]	[illegible]
Six months	12¼-12⅝	7½-8	10-10½	[illegible]	[illegible]	[illegible]
One year	12⅜-12¾	7⅝-8⅛	10-10½	[illegible]	[illegible]	[illegible]

Euro-French deposit rate short-term 8½-8¾ per cent.; one month 7½-7¾ per cent.; three months 8½-8¾ per cent.; one year 9¼-9¾ per cent.

Longer-term Eurodollar deposit: two years 8½-8⅞ per cent.; three years 9-9½ per cent.; four years 9¼-9¾ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6¼-6⅜ per cent.; three months 6[illegible] per cent.; six months 7¼-7⅜ per cent.; one year 7¾-7⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

GOLD MARKET

	Dec. 2 1975	Dec. 1 1975
Gold Bullion (a fine ounce)		
Close	$138¾-139¾	$137¼-138¼
Opening	$137-138	$137¾-138¾
Morning fixing	$137.85 (£68.273)	$138.15 (£68.309)
Afternoon fixing	$139.30 (£68.957)	$137.90 (£68.236)
Gold Coins (domestically)		
Krugerrand	$142¼-144¼ (£70½-71½)	$141-143 (£69¾-70¾)
New Sov'gns	$43½-45½ (£21½-22½)	$42-44 (£20¾-21¾)
Old Sov'gns	$43½-45½ (£21½-22½)	$42-44 (£20¾-21¾)
Gold Coins (internationally)		
Krugerrand	$142¼-144¼ (£70½-71½)	$140½-142½ (£69½-70½)
New Sov'gns	$42½-43½ (£21-21½)	$42-43 (£20¾-21¼)
Old Sov'gns	$42½-43½ (£21-21½)	$42-43 (£20¾-21¼)
$20 Eagles	$218-221	$217-220
$10 Eagles	$113-116	$112-115
$5 Eagles	$73-76	$72-75

FOREIGN EXCHANGES

Dec. 2 1975	Bank Rates	Day's Spread	Close
New York	6	2.0155-2.0230	2.0200-2.02[illegible]
Montreal	8½	2.0385-2.0480	2.0470-2.0[illegible]
Amsterdam	4½	5.40-5.45	5.40-5.[illegible]
Brussels	15	79.40-79.60	79.50-79.[illegible]
Copenhagen	7½	12.31-12.34	12.32-12.[illegible]
Frankfurt	3½	5.27-5.30	5.28-5.[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

[illegible]

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

Six-month forward U.S. dollar [illegible] pm. and 12-month [illegible] pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—113% (112%).

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

Dec. 2	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	91.2	-1.2	—	—
Allianz Versich.	475	-4	17	1.8
B.M.W.	254	-5	18	2.7
BASF	152.5	-2.1	17	—
Bayer	128	-2	17	6.2
Bayer Hypo	332	-2	18	2.7
Bayer Vereinsbk.	351.5	...	18	2.4
Commerzbank	217.1	-3.4	18	4.1

[illegible]

MILAN

Dec. 2	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	821.5	-21.5	—	—
ANIC	812	-7	60	7.4
Assicur Ass.	4,200	+99	150	5.1
Bastogi	1,334	+71	70	5.3
Breda	2,680	+35	165	5.6
Burgo	11,600	+5	400	1.7
Centrale	8,150	+350	200	2.4
CIGA	1,271	-20	—	—

[illegible]

PARIS

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND ◆

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities Tokyo.

STOCKHOLM

[illegible]

OSLO ◆

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN ▼

[illegible]

NOTES: [illegible]

The growing economic need to utilise space more effectively, combined with a wish to conserve good examples of architecture, is having desirable results. H. A. N. Brockman reports

New look behind those old façades

A LARGE and increasing amount of architectural design work is now going on inside the façades of many older buildings, particularly in London. This trend has two factors behind it: the economic need to bring the services and space within the building to a level previously unnecessary: and the very recent, and laudable, desire to maintain and conserve some of the remarkably good architecture represented by the façades of these buildings.

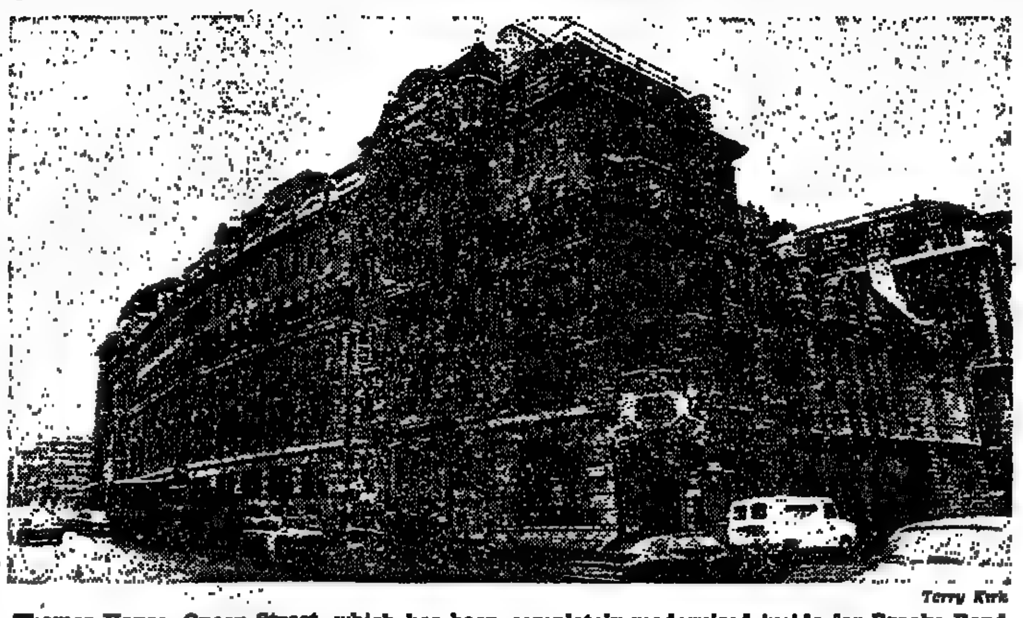
A great deal of thought goes into these operations. Not only must the architect strive to preserve the best features of an interior—a fine staircase, for instance, or a particularly well-designed boardroom—but he must ensure that the remaining alterations bring into being a much greater amount of usable space and a better interior climate.

One example of this re-rigging, albeit one much criticised on cost grounds, is the conversion of Norman Shaw's Scotland Yard building, where the work has entailed the least disturbance to the splendid interior and much restoration in the way of decoration and fine wallpapers. This was done by the architects of the Department of the Environment and did not suffer the economic strictures that a private client would demand. Nevertheless it was a job worth doing in this drab and inflationary period.

Complicated

A far more drastic example, involving the complete modernisation of both the services and the interior appearance of the building, was the work of the architectural division of Richard Ellis (under Mr. P. E. Williams) at Thames House, Queen Street, for Brooke Bond Liebig. This very large and comfortable looking building, with its great air of prosperity, was erected in 1911 to the designs of Collcutt and Hamp, a well known Edwardian partnership. The extreme diversity of the elevations, with their grandiloquent "pavilions" at the extremities and the rich centrepiece, were echoed in the interior by the planning which, however desirable in 1911, made modernisation a highly complicated operation. The preservation of the outside presented, curiously enough, one of the major interior problems as the windows on every floor varied dramatically both in shape and size, and thus posed an extremely difficult adaptation if a spatially economic result was to be achieved.

Thus it was that an interior shell was constructed within the building structure with due respect, where possible, to the existing window positions. The shell took the form of a partition within the perimeter walls provided with inner windows arranged on the module created for the economic arrangement of light fittings and services. These windows were fitted with opal plastic diffusers containing clear plastic discs to give the staff as much outlook as possible. Full air conditioning was installed, and the staircases, lifts and lavatories entirely reconstructed. There was one exception to this wholesale internal restructuring and that was the northernmost and characteristic staircase, which was retained as a symbol of past glories.



Terry Kirk

Thames House, Queen Street, which has been completely modernised inside for Brooke Bond Liebig: curiously, the preservation of the outside of the building presented one of the major interior problems as the windows on every floor varied greatly in shape and size.

Another drastic and technically interesting conversion is to be found in London's Corn Exchange, where the market hall was traversed by a new floor and galleries. In this case, however, there was no question of the preservation of the frontage, as the hall cannot be seen from the street. Corn has been marketed on the site since the thirteenth century, although the present building is modern: a marble clad steel and concrete frame spanning a high single-storey hall. Because of light restrictions, an increased amount of market area had to be accommodated within the existing space, and it was necessary to insert a first floor mezzanine giving total market areas of 20,000 square feet.

This highly sophisticated conversion has augmented the traditionally verbal trading by a backing of telecommunication systems. Closed circuit television, computer controlled, shows trading prices both in the markets, by way of monitors mounted in the ceiling, and in brokers' offices instantly. Trading "rings" are surrounded by the brokers' booths, each of which is a miniature communications centre containing up to 12 telephones, TV monitors, a public address system and other links with the outside world. As part of the reconstruction the members' restaurant (seating 90) was modernised and refurbished. In addition, it was found possible to introduce a mezzanine bar and coffee lounge. This complicated work was also designed by the architectural division of Richard Ellis under Mr. B. W. Hardcastle.

The architectural work of this firm is extremly wide. It has gained a number of Civic Trust Awards and was among the finalists for the *Financial Times* Industrial Architecture Award in 1970: a record betokening considerable experience.

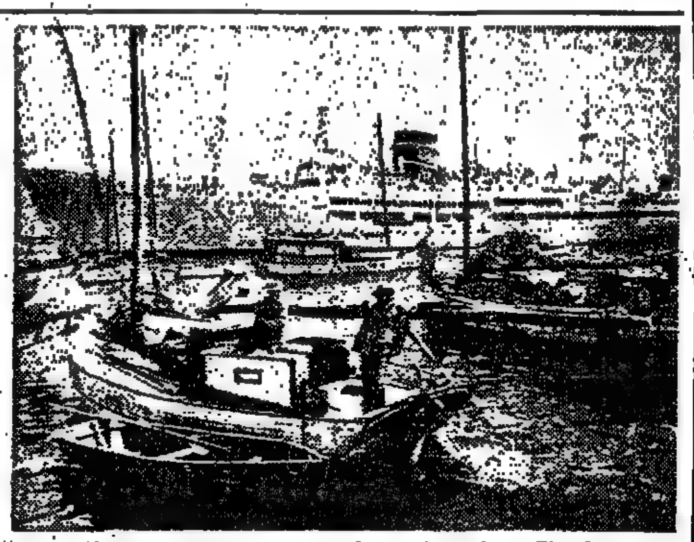
It is important, however, to realise that much more attention is now being paid generally to the maintenance of those "things which are seen," to quote this paper's one-time writer on architecture, the late Trystan Edwards. There was a time when architects could hardly bear to modernise interiors behind the original exterior. It was regarded as an architectural sin to do so. But to-day there is not only both a social and a practical need for drastic modernisation following the technical and other advances of the last 20 years or so but also the need to discover whether it is not possible to re-use good structures in which to plant the modernised interiors.

There are also the architectural gems whose structures are not so good but which must be retained for aesthetic reasons alone. Such are the Nash terraces, where dry rot was rife in the timber-floored and timber-roofed buildings. At Sussex Place in Regents Park (Architects B. and N. Westwood Piet and Poole), the London Graduate School of Business Studies enjoys a wholly reconstructed interior behind a restored building frontage. The same applies to the eastern and western extremities of Park Crescent, where a private dwelling has been converted for use as a Crown Court.

So it is that Victorian and earlier mills become studios and offices, old warehouses become flats and maltings are converted as social centres and concert halls—all with the combined and worthwhile view of opening people's eyes to the freshened-up best of the past while bringing the technical and aesthetic best of to-day into the new interiors.

The Bahamas tourist industry, on which half the country's jobs depend, has hit serious problems. Nicki Kelly, in Nassau, examines the attempts being made to revive it.

Holidays under a Bahamas cloud



Nassau Harbour: at least the cruise ships still call

HE BAHAMAS' once-thriving urist industry is in serious fficulties. Recent studies by e Ministry of Tourism have own that poor attitudes wards the visitors and creasing competition from a owing number of Caribbean sorts have further aggravated situation already made ecarious by inflation and cession.

Mr. Clement Maynard, the inister of Tourism, recently mented the fact that so many his countrymen are tempted take tourism for granted. ith half the nation's jobs and lf the Government's revenues ming directly or indirectly om tourism, Mr. Maynard has ged Bahamians to weigh alistically what their position uld be without the industry with less of it.

Signs

Signs of decline began to ow in 1970 after an annual owth rate during the 1960s of ore than 60 per cent. The ump coincided with the onomic difficulties in the S., but was largely the result adverse publicity abroad er high hotel prices, poor rvice, and the generally stile attitude of those serving e tourist.

With the Government launch-g an intensive courtesy cam-ign, the industry recovered fficiently to achieve an annual owth rate of somewhat less an 4 per cent in the next ree years. In 1974, however, sitor totals plunged nearly 9 r cent. below the 1.5m. corded in 1973, with air rivals, the industry's main-ay, down by more than 5 per nt. These unfavourable turns were only partially off-t by the fact that there was a ght increase in the average ngth of the visitors' stay.

Earlier this year the inistry of Tourism optimistic-y predicted an overall 4 per nt. increase in 1975 and an 8 r cent. rise by 1976. But a 2.4 per cent. drop during the first nine months of this year indicates that there is little chance of the goals being met. The American segment of the market has been hardest hit. Travel from the U.S. to the Bahamas plunged by nearly 11 per cent. in the first six months of 1975.

Last year, at a cost of $20m., the Government purchased three Nassau hotels which were in danger of closing, to retain, as Mr. Maynard put it, the reputation of the Bahamas as a first class resort. The hotels, he said, were to form the nucleus of a convention centre and casino to be completed in 1976.

The convention centre is still only on the drawing board, and all three hotels, like other such properties, are badly in need of refurbishing but without the necessary funds. Although the Government has refused to commit itself, there has never been any denial of charges that the three resort complexes are continuing to lose money heavily. Poor business, particularly at Grand Bahama, resulted in a number of closures earlier this year and the layoff of several hundred hotel workers.

A report commissioned two years ago by the Ministry of Tourism called the Bahamian hotel industry "sick." Emphasising the need for high quality service, the report said that relative freedom to employ qualified foreign staff, coupled with intensive in and out-of-house training, was "absolutely essential" to return the industry to a healthy and profitable status.

In the last seven years, under Government pressure to Bahamianise as quickly as possible, the number of expatriate staff in the hotel industry has been reduced from 19 to 3 per cent. But inexperience and insufficient training have meant a reduction in standards, too.

Coupled with their manpower problems, the hotels have also been severely crippled by high utility charges, which have increased 160 per cent. in two years. Hoteliers have warned that the Government must be prepared to help slow down the escalation of operating costs if the Bahamas tourist industry is to remain competitive in the world tourist market.

The Ministry of Tourism has announced an intensive "people to people" programme which, it is hoped, will improve relations between Bahamians and visitors. Numerous activities, including home visits and parties at Government House, have been planned to promote greater social contact between the two groups. In addition the Chamber of Commerce has launched a clean up of downtown Nassau to improve the appearance of buildings and remove loafers and drug peddlers who constantly harass visitors.

In the face of a declining number of U.S. travellers, the Bahamas has sought, with some degree of success, to diversify by concentrating on Canadians and Europeans. In 1974, 76 per cent. of the stop-over visitors were from the U.S. compared with 85 per cent. only the previous year. Traffic from Europe and Canada however has doubled in the last three years.

During the first six months of this year Canadian stop-overs totalled 9,640, a 12 per cent. advance on the corresponding period last year. In 1974 there were 52,530 European stop-overs—a 23.2 per cent. increase over the previous year.

Nonetheless, diversification has placed new strains and demands on tourist services to meet the need for the non-resort-type accommodation preferred by Europeans. Most of the hotels in Nassau and Freeport were designed to cater to middle and upper income visitors and have become uneconomical to operate in an age of mass travel.

The Minister, Mr. Maynard, has emphasised the need to construct low budget accommodation for middle and lower middle income group visitors who cannot afford, or do not wish for luxury hotels and expensive goods and services.

Having benefited in the last five years from inclusive tour charters (ITCs) from Canada and Europe, the Bahamas is counting on the introduction of one-stop charters (OTCs) from the U.S. to stimulate that flagging market. At the same time, the scheduled carriers are countering OTC competition with group fares of their own from the Mid-West and New York.

Tax-free ban

With ITCs now accounting for over 60 per cent. of the Canadian visitors to the Bahamas, group charters are expected over the next several years to have a tremendous impact on American and European tourism to the islands. These benefits may well be nullified, however, by legislation now before the U.S. Congress to prohibit tax-free conventions outside the country. The ban could have a disastrous effect on the Bahamian economy and the Caribbean generally. Conventions, once a staple of summer business, are now an integral part of the winter travel market to the area.

But in the final analysis, the success of any travel incentive must inevitably rest on satisfying visitors. The Minister of Tourism has pointed out that only 20 per cent. of the country's annual tourist trade is repeat business. The effect of this is that the Bahamas must each year recreate a whole new market.

"This is not nearly good enough," Mr. Maynard has told hotel workers. The Bahamas, he said, is fighting to maintain its strong position in the face of fierce world competition for fewer and fewer tourists. It was crucial, therefore, that visitors took home a good impression.

FARMING AND RAW MATERIALS

Coffee pact near to completion

By Richard Mooney

International coffee agreement, to take effect from October 1, 1976, entered what must surely be their final stage last night.

The pact was agreed in principle by the eight-man producer/consumer contact group a week ago but a sentence-by-sentence consideration of the draft accord by the International Coffee Council was only completed in the early hours of yesterday morning. A final plenary session of the Council to give formal approval to the agreement was due to begin at seven o'clock yesterday evening.

But detailed discussion will probably have been delayed until to-day, with last night's activity confined to tabling of the revised draft agreement and a prompt adjournment to allow delegates time to digest its contents overnight.

The new agreement will operate for six years. But quota restrictions on exports—its main function—are not expected to come into force for several years following this year's Brazilian frost disaster. However, verification of stocks throughout the world will begin as soon as the pact comes into force.

Smithfield champion

Terry Kirk

LULU, a Charollais cross Aberdeen Angus-Shorthorn heifer less than 15 months old, won the supreme championship of the Royal Smithfield Show at Earls Court yesterday.

Lulu, owned and bred by a brother and sister partnership farming near Montrose, Scotland, is the youngest heifer ever to win the supreme award at the show. She was shown by Mr. Jimmy McMillan (above) and Mrs. Annie Lobear of Damside of Dun, Angus, who took the supreme championship after three years of showing at Smithfield during which they have won several smaller prizes.

Because she is a cross-bred and unsuitable for breeding, Lulu, the first heifer to win the award since 1966, will be slaughtered for the Christmas meat market.

The tawny-coated heifer who weighs 1,060 lbs was given her name by Mr. Macmillan's 13-year-old daughter Adeline. Runner-up for the supreme award was Whoop-de-Doo, a 14-month-old Charollais-Aberdeen Angus cross-bred steer shown by Ivor and Lascelles of Alyth, Perthshire.

Poles offer timber for 1976

By A Correspondent

PAGED, the Polish state selling organisation for forest products, has offered 50,000 cubic metres of softwood on the U.K. market for shipment in the period January-March next year at prices which are unchanged from last March. This is the first move by Eastern European suppliers towards opening the market for 1976 wood; the first Russian schedule is expected to follow early in the New Year.

The quantity in the Polish offer is a good deal smaller than usual. It appears that the Poles, acting upon the advice of their U.K. agents, were concerned that the offer should be taken up with enthusiasm by the U.K. importers and this was reflected in the quantity and the price. All the indications are that the offer was well received.

The way is now clear for Exportles, the Russian selling organisation, to bring out its first softwood schedule early in the New Year, and the process of sounding out the market has begun. Present impressions are that the offer will be reasonably large, since it is believed that the Russians would like an increased share of the U.K. market next year, and that it is likely to confirm a slightly rising trend in softwood prices.

Sharp rise in cocoa but sugar down

By Our Commodities Editor

COCOA PRICES on the London terminal market advanced strongly yesterday, with gains of up to £12.50 on the previous close. The nearby March position rose by £7.50 to £642.75 a tonne.

The main increase came in afternoon trading, after a quiet morning, following a higher trend in New York. There were unconfirmed reports that the Soviet Union was buying Brazilian cocoa in local currency against sales of fuel oil. There was also a forecast by a private shipper that the Ivory Coast cocoa crop in 1975-76 would reach only 180,000 tonnes compared with the previous season's outturn of 235,000 tonnes.

Neither of these factors had any direct influence on prices, but they encouraged some more general "bullish" sentiment.

Meanwhile world sugar prices fell back again on the London futures market yesterday. The London daily price was cut by £3 to £148 a ton—the lowest level since June this year. Further selling, especially by chartists, brought losses on the futures market, although values staged a slight recovery in late trading.

Paris soya futures market planned

PARIS, Dec. 2.

THE PARIS COMMODITY market plans to reintroduce a soya futures market, probably at the same time as the formal re-opening of the international white sugar futures market, Bourse sources said.

The soya market rules are in the course of being approved by M. Vincent Ansquer, the Commerce Minister, and should be published this month in the Official Gazette, they said.

The market was introduced in 1967 but ceased operating in 1972.

The new contract will involve a lot of 35 tonnes quoted in francs per quintal, and based on the Rotterdam CAF price for soya, they added.

No official date has been given for the re-opening of the white sugar futures market. But there are strong hopes of its resuming trade by the end of the year after more than a year of effective closure.

If a successful resumption of trading is to be achieved, however, it will mean market participants agreeing to compromise and calling off a series of lawsuits which would involve years of legal wrangling.

Already the Paris coffee and cocoa markets have suffered a sharp drop in dealings, due to poor market conditions and because confidence in Paris markets has been undermined by the sugar collapse, traders said.

Plans to reopen a futures market in soya also depended on a sugar market compromise, they said.

Reuter

NZ LAMB FOR MIDDLE EAST

New Zealand Lamb shipments to the Middle East will rise by at least 50 per cent. in the year 1975-76, Mr. W. F. Leonard, chairman of the New Zealand Meat Marketing Corporation.

Reuter

Large rise in U.K. butter imports

By Our Commodities Staff

THE U.K. had to import 110,530 tons more butter last year than in 1973, mostly from other EEC countries, because of the decline in its own milk production, which coincided with a big rise in demand for milk and dairy products.

Details of the decline in dairy farmers' fortunes during 1974-75 in the U.K. and throughout the Common Market were published in Milk Marketing Board booklets* yesterday. They also showed that, with the exception of the U.K. and Eire there has been a pronounced drop in liquid milk consumption.

With the U.K.'s increased consumption and a fall in output in the Community, the EEC's butter "mountain" declined from 328,000 tonnes to 284,000 in the 12 months to the end of August, 1975. EEC cheese output rose from 2.6m. to 2.5m. tonnes.

* "EEC Dairy Facts and Figures 1975" (£1.36) and "U.K. Dairy Facts and Figures 1975" (£2.05).

CANADIAN POTASH

State plans mines takeover

BY PETER BULLEN, RECENTLY IN SASKATCHEWAN

IF MR. ALLAN BLAKENEY, Saskatchewan's Premier, gets his way his Government will take over most or all of the Western world's largest potash-producing industry over the next year or two.

As evidence of the speed with which the plan is being pursued, two Bills to enable the takeover to be achieved were introduced, passed their First Reading stage and had come up for Second Reading last week in a matter of only eight days.

Most of Canada's huge potash deposits lie under Saskatchewan soil, enabling the country to provide 24 per cent. of world supplies, second only to Russia, which has a 28 per cent. share. Next to farming—the province produces 60 per cent. of all Canada's wheat—mining, for oil, uranium, potash and other minerals is Saskatchewan's biggest industry.

Difficulties

After years spent grappling with flooding difficulties in the 1950s and early 1960s, mining companies evolved successful techniques for extracting the potash.

To-day, after an original investment calculated at between $C700m. to $C1bn., ten mines are being worked by European, U.S. and Canadian companies and are capable of producing over 8m. tons of potash a year.

In recent years, against a background of a boom in demand for the mineral, the Saskatchewan Government has been struggling to increase its revenue from potash. The companies have reacted strongly, taking legal action where necessary and by withholding detailed financial information. No businessman can afford to open his books to a competitor, they argue, in defence of their policy of keeping back information. As the Government has actively been considering venturing into potash mining through its Potash Corporation, the existing companies clearly consider it as a competitor.

From the remarks he made to me in his office at the Legislative Buildings in Regina, Mr. Blakeney has not introduced the suggestion of the takeover as a bluff to coerce the companies into falling meekly into line with demands for full information and full payment of taxes.

Costly move

The Government is determined to bring stability to the industry by obtaining "a significant" ownership position he said. This means taking control of over half of the productive capacity of the industry by obtaining full control of the necessary companies involved.

The companies being singled out have not yet been named but they are bound to be those with predominantly foreign ownership. More than anything else, the motive behind the move by Saskatchewan's New Democratic Party Government seems to be to win control over the Province's own raw materials and the returns from them. Saskatchewan first, Canada second and other countries can take their place in the queue is the philosophy, which has a natural appeal to the taxpayers and voters among the Province's population of just under 1m. people.

Although the move is likely to be costly—in the region of $1bn. has been mentioned — Mr. Blakeney has no compunction about approaching the world's money markets to borrow the necessary capital when he has spent the $200-$250m. available in his resources development fund. There may be some initial reluctance on the part of investors in view of the fact that the money is wanted for a State takeover of a private industry, he concedes.

But this is likely to fade soon in view of Saskatchewan's good credit rating and when it is realised how and why the takeover is taking place, he claims.

At first the Government will offer to buy the mines it is interested in, but if agreement cannot be reached, the legislation now before Parliament will allow the Province to expropriate the Saskatchewan assets of the company involved. The determination of a "fair and equitable price" will be left to an impartial Board of arbitrators and the arbitration Board's decisions will be open to appeal to the courts by either party.

Mr. Blakeney says the main reason for the takeover policy is to ensure a secure flow of revenue from the potash industry. He argues that ownership is a relatively unassailable legal basis for guaranteeing this flow into the Province's coffers instead of into foreign companies' profits or the Federal Government's maw. The Government is also anxious to secure continuing but controlled expansion of output to meet the growing world demand for potash without posing too many marketing problems.

The extent of the boom in world demand for potash can be measured by the price rise from about $20 a ton in 1969 to some $75 a ton this year, but the Government's claim that the industry has failed to expand to meet the demand has infuriated the industry.

As Mr. John Carpenter, president of the Canadian Potash Producers' Association, points out in a series of full-page advertisements now being run in Canadian newspapers, the Provincial and Federal governments are putting a tax burden totalling 83 per cent. of pre-tax profits on to the potash mining companies. "The fact is an 83 per cent. tax load is too much. To blame the companies for refusing to expand, and then use that as justification for nationalising the industry is simply not right or fair," he states.

The companies have been trying to persuade the Saskatchewan government to amend the [illegible] reserves tax that it introduced 18 months ago and which boosted its takings from the industry from 20 per cent. of pre-tax profits in 1974 to some 60 per cent. this year. After trying for more than a year to get the government to change what they believe to be an unconstitutional tax on potash reserves to a system based on taxing profits the companies started court actions to question the validity of the tax.

Now they are faced with takeover and their first shocked reaction was to say that it was obvious that the Government intended taking this line all along and that it was not really interested in arriving at a fair tax structure that would benefit the people of Saskatchewan while still allowing the companies sufficient resources to invest in expansion.

Not too late

Mr. Carpenter believes it is still not too late to prevent a takeover of the industry, however.

"As a first step, perhaps, the matter of providing financial information might be handled through the appointment of an independent comissioner. This would provide both parties with a basis for a meaningful determination of a fair and equitable tax structure," he says. "The hour is late. But not too late."

The companies involved in mining potash in Saskatchewan are: Amax Potash; Hudson Bay Mining and Smelting company; Central Canada Potash; Cominco; Alwinsal Potash of Canada; Duval Corporation of Canada; Allan Potash Mine Operators; Kalium Chemicals; International Minerals and Chemical Corporation (Canada); and Potash Company of America.

Good Chinese grain harvest

HONG KONG, Dec. 2.

CHINA produced her fourteenth consecutive good grain harvest this year, with output higher than last year's high level, the New China News Agency, monitored here, said.

Agriculture and forestry vice-minister Yan Li-Kung told the UN Food and Agriculture Organisation on November 14 that 1974 grain output totalled 274.9m. tonnes.

The worst summer drought in decades hit some areas in North, South-West and North-East China this year, while rain in August flooded part of Honan, Anhwei and Hupeh, the agency said.

More than 1.5m. pump wells in the 17 provinces, municipalities and autonomous regions in the north played a major role in overcoming consecutive droughts which hit the area during the last few years, the agency said.

China has some 34m. hectares of land that give stable, high yields regardless of climate, it added.

● The Soviet Union failed to announce this year's grain harvest at the winter session of the Supreme Soviet.

Soviet State planning chief Nikolai Baibakov was expected to give the figure when he delivered his report to the Supreme Soviet session on the past year's economic performance, and next year's plan.

ISRAEL CITRUS SALES BUILD UP

Israel's pre-Christmas exports of citrus of all types are in full swing, with weekly shipments running at the rate of over [illegible] cases. Slightly over 4m. cases have been shipped since the beginning of the 1975-76 export season, which started two months ago.

Total exports are expected to reach roughly the same level as in 1974-75, around 50m. cases.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Steadied on the London Metal Exchange. Fresh interest at around the £550 level including chartist buying, rallied the market after Monday's setback. Modest West German consumer demand was also reported and forward metal traded up £583 in the afternoon helped ...

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £562.5, 62.5, three months £583.5, 84, 84.5, 84, 83.5, 83, 82.5. Cathodes, cash £550, three months £570. Kerb: Wirebars cash £562.5, mid-Feb. £580.5, three months £583, 82.5. Cathodes: cash £550. Afternoon: Wirebars cash £562.50, three months £584, 83. Cathodes: cash ...

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	562.5	.5	562.5 3	+2
3 months	582.5 3	-1	583 .5	+2.5
Settlem't	562.5	-.5		
Cathodes				
Cash	550 .5	-2	550 .5	+2.25
3 months	569.5-70.5	-.25	570.5-1	+2.75
Settlem't	550.5	-2		
U.S. Smt.			*63-63.7	

TIN—Moved narrowly. Prices were marginally lower reflecting the fresh decline in Penang overnight but were later steadied by U.S. physical demand. Turnover, 835 tonnes.

Morning: Standard Cash £3,046, 41; three months £3,105, 10, 8, 10, 12. High Grade: Untraded. Kerb: Standard: Cash £3,042; three months £3,112. High Grade: Untraded. Afternoon: Standard: Cash ...; early-Dec. £3,048, 50; three months £3,112, 10, 8, 8, 8, 9, 10. High Grade: Untraded. Kerb: Standard: Three months £3,108. High Grade: Untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3041.2	-1	3059-41	-3.5
3 months	3112.4	+2	3110-2	-2.5
Settlem't	3042	-1		
Standard				
Cash	3041.2	-1	3039.41	-3.5
3 months	3112.4	+2	3110.2	-2.5
Settlem't	3042	-1		
Straits E.	$947	-5		
New York				

LEAD—Easier owing to hedge selling, the effect of which was lessened by renewed trade buying. Turnover, 3,625 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	162.5-3	-1.12	162.5-.75	-.625
3 months	170-.25	-1	170-.5	-.5
Sment	163	-1		
N.Y. Spot			19-22¼	

Morning: Cash £162.5; three months £170. Kerb: Cash £162.75. Afternoon: Cash £162.50; three months £170.50. Kerb: Untraded.

ZINC—Recovered from Monday's setback. Prices initially drifted owing to lack of interest with forward metal trading down to £340.5. Fresh buying at that level was attributed to have been on producer account in some quarters but this was later discounted. By the close of the afternoon Kerb the price had recovered to £343 helped by speculative demand. Turnover, 2,600 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	328.5-9	-1	330-.25	+2.11
3 months	341.5-2	-1	342.75-3	+1.11
S'ment	329	-1		
Prim. West			*38½-9	

Morning: Cash £330, 29, 28, 28.5, mid-Jan £336, three months £343, 42.5, 41, 41.5, Kerb: Untraded. Afternoon: Cash £329.50, 30.50, 29.00, three months £342.50, 42.25, 42.50, 43.25, 43, 42.75. Kerb: Three months £343, 42.50.

*Cents per pound. †On previous unofficial close. ‡$M per picul.

SILVER

Silver was fixed 0.4p an ounce lower for spot delivery in the London bullion market yesterday, at 204.1p. U.S. cent equivalents of the fixing levels were: spot 412c, down 0.5c; three-month 419.7c, down 0.9c; six-month 426c, down 1.7c, and 12-month 445c, down 1.2c. The metal opened at 203.5-205.5p (408-410c) and improved to 203.9-204.9p (412-414c) at the close.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	204.1p	-0.4	204p	+2.5
3 months	209.8p	-0.7	209.8p	+2.25
6 months	215.7p	-1.1		
7 months			218.65p	+2.5
12 months	229.3p	-1.1		

LME—Turnover 162 (134) lots of 10,000 ozs. Morning: Three months 209.1, 9.2, 9.1, 9.5, 9.6, 9.7, 9.8, 9.7, 9.6. Kerb: Three months 209.5, 9.6. Afternoon: Three months 209.5, 9.7, 9.4, 9.5, 9.8, 9.9, 9.9, 9.8. Kerb: Three months 209.8, 9.7, 9.8, 9.9.

COCOA

After a quiet morning prices moved ahead towards the close on short-covering in thin conditions, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.4 Contract			
December	679.5-80.0	+12	680.0-68.0
March	642.5-43.0	+7.5	644.0-34.0
May	625.0-25.5	+8	624.5-14.0
July	615.0-16.0	+8	613.0-07.0
September	609.5-10.0	+8	610.0-595.0
December	601.0-02.0	+7	602.0-594.0
March	598.0-99.0	+5	591.0

Sales: 1,552 (1,299) lots of 10 tonnes.

FREIGHTS

DRY CARGO—Little interest was evident for grain on North European account but a cargo of pellets was covered from Chicago to Rotterdam at $19 f.i.o., spot loading, at 14,250 long tons grain, Duluth Superior-Holland, $220,000 f.i.o. Dec. Indian Government brokers fixed large cargo grain, U.S. Atlantic or Gulf-India, $23 free discharge, lightening for owners' account, Dec. In sugar section cargo arranged Durban-Japan at £7.50 f.i.o. mid-Dec.

Ore-charterers booked cargoes Seven Islands-Northern Range, $1.70 f.i.o. Dec., Groote Eylandt-Antwerp, Rotterdam or Amsterdam, $14 f.i.o., also Port Elizabeth-Continent, $6.95 f.i.o. Dec. South African maize shippers reported by market sources covered cargo to German North Sea, $17.50 free discharge, Dec. Time charterers fixed vessel 33,393 long d.w.t. Japan-U.S. East Coast via North Pacific, $3.95.

COFFEE

Robusta futures moved up in the afternoon despite a not particularly steady opening in New York, dealers said. The official tone was steadier, no balance gains finally ranged from £1.00 to £8.00 a tonne. Arabicas closed dull.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	[illegible]-40	+3	740-750
March	738-739	+4	738-729
May	739-740	+4	740-730
July	743-744	+4.5	743-735
Sept	747-748	+4.5	745-739
November	752-755	+6	752-742
January	754-756	+3.5	756-749

Sales: 605 (1,224) lots of 5 tonnes.

Latest published ICO indicator prices—Colombian Mild Arabicas 90.00. Other Mild Arabicas 70.00. Unwashed Arabicas Santos Fours 94.00. Robustas 71.13. Daily average 83.21.

ARABICA CONTRACT (in order buyer, seller, business, sales)—Dec. 91.00-95.00, nil, nil; Feb. 87.00-91.00, 87.10, 3; April ..., nil, nil; June 85.00-90.00, 89.10, 1; Aug. 86.30-93.00, nil, nil; Oct. 90.00-93.00, ..., 2; Dec. 91.00-95.00, nil, nil. Sales: 6.

RUBBER

STEADY opening on the London physical market. Good interest throughout day, closing firm. Lewis and Peat reported a godown price of 185 Malaysian cents (buyer December).

No. 1 R.S.S.	Previous day's close	Yesterday's close	Business done
Jan.	35.00-35.50	35.60-35.80	—
Feb.	35.35-37.00	35.90-36.40	—
Jan.-Mr.	35.65-36.75	36.25-36.55	36.75-36.40
Apr-Jne	37.30-37.95	37.40-37.50	38.00-37.50
Jly-Sept	38.95-39.00	38.45-38.50	39.10-38.45
Oct-Dec	38.95-40.05	39.50-39.60	40.10-39.00
Jan-Mr.	40.30-40.95	40.50-40.55	40.95
Ap-Jun.	41.00-41.30	41.40-41.50	
Jly-Spt	42.00-42.10	41.95-42.00	42.15-41.90

Sales: 145 (146) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 35.0p (34.75); Dec. 33.4p (32.9); Jan. 34.4p (33.6).

SOYABEAN MEAL

Market firmed as trade interest re-appeared from European dealers in sympathy with good demand for vegetable oils, reports SNW Commodities.

SUGAR

LONDON DAILY PRICE (raw sugar)—Lower at £145 (£151) a ton c.i.f. for Dec.-Jan. shipment. White sugar daily price £165 (£170). Initial trade selling pressure touched off small stop-loss orders and when March touched £149 there was a great deal of stop-loss selling, which carried March to £143, reports C. Czarnikow. Later, prices recovered as the selling pressure abated and the close was some 200 points above the lowest levels.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
March	149.50-50.00	155.75-54.00	154.00-48.00
May	151.25-51.45	155.00-55.25	155.00-49.00
Aug.	153.00-54.00	157.25-57.50	156.50-52.25
Oct.	153.00-54.00	157.25-57.75	156.50-52.50
Dec.	154.10-54.15	157.25-58.00	157.50-55.00
March	154.10-54.55	156.75-58.00	157.00-52.95
May	154.00-55.00	156.75-58.00	157.00

Sales: 3,432 (2,833) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £212.50 (same) a long ton for home trade and £233 (£226) a long ton for export.

WOOL FUTURES

LONDON—The market was steady, Bache reports.

SYDNEY GREASY (in order buyer, seller, business): Dec. 252.0-253.0, Mar. 266.0-266.5, May 274.0-275.0, July 278.0-279.0, Oct. ..., Dec. 289.0-288.5, Mar. 290.0-290.5, May 291.0-294.0. Sales: 635.

GRAINS

HGCA—Location ex-farm spot prices: Soft milling wheat—Gloucester £62.55, Humberside £62.75; Feed wheat—Gloucester £61.05, Humberside £61.25; Feed barley—Gloucester £60.00, Humberside £60.55.

EEC COMMISSION—The following levies and premiums effective Dec. 3 (in order current levy—Jan., Feb. and March premiums not received from source) in units of account per tonne. Common wheat—34.22 (32.64, rest nil). Durum wheat—34.54 (54.34, rest nil). Rye—42.31 (42.31, rest nil). Barley—17.69 (17.69, rest nil). Oats—17.01 (16.22, 0.80, 0.80, 0.80). Maize (other than hybrid for seeding)—30.57 (30.57, rest nil). Buckwheat—1.37 (1.37, 1.30, 1.30, nil). Millet—34.60 (24.60, rest nil). Grain sorghum 29.48 (29.48, rest nil). Also effective for following flours: Wheat or mixed wheat and rye flour—67.22 (65.00). Rye flour—78.56 (75.30).

MEAT/VEGETABLES

COVENT GARDEN (prices in sterling): Imported produce: Oranges—Spanish: 2.30-3.00. Satsumas—Spanish: Per tray 2.20-2.40. Clementines—Spanish: 2.50-3.00; Cypriot: 2.20-3.00. Lemons—Italian: 3.50-4.00; South African: 3.30-4.00; Greek: 3.00-4.00; Turkish: 2.40-3.50; Cypriot: 4.00-4.30. Grapefruit—Dominican: 2.00-2.20; Cypriot: 2.20-3.20; Jaffa: 2.70-3.20; Florida: Ruby 3.00. Apples—French: Per 20 lbs Golden Delicious 72.54 1.40-1.70, per 20 lbs Starking 1.50, Granny Smith 72.54 2.20-2.40; Danish: Per pound McIntosh 0.10. Pears—Italian: Per pound Williams 0.11, Passacrassana 0.09-0.10. Pineapples—South African: 9/15 2.50-2.60. Grapes—Spanish: Per pound Almeria 1.30-1.40, Black 1.40; Californian: Per 28 lbs Red Emperor 4.40. Dates—Californian: Per carton 0.10; Iraqi: Per packet 0.08; Algerian: 0.21-0.37. Tomatoes—Spanish: 2.20-2.70; Canary: 1.80-2.00. Onions—Spanish: 4/8 4.30; Dutch: 2.30-2.40; Polish: 3.80. Cucumbers—Canary: 1.30-1.60. Cauliflowers—Jersey: Per 24 3.00; French: 3.50. Cranberries—U.S.: Per 4 ozs 18 2.16, 16 ozs 24 5.04. Figs—Turkish: Per oz 0.11. Almonds—Cypriot: Per pound semi-soft 0.32. Brazil nuts—LWM per pound 0.20-0.22. Chestnuts—Italian: 2.30-3.50; French: 1.50-1.80; Spanish: 1.00-1.40. Filberts—Italian: Per pound 0.33. Walnuts—Chinese: Per pound 0.19-0.21; Californian: Per pound 0.23-0.29. Potatoes—Italian: Per 20 lbs 2.80. Bananas—Per 28 lbs Windward Islands: 2.70; Jamaican: 2.80.

English produce: Mushrooms—Per pound 0.25. Lettuce—Per 12, round, 0.50-0.80. Potatoes—Whites 2.00, Edwards 2.00-2.10. Cabbages—Per bag Primo 0.80-0.90. Apples—Per pound Cox's Orange Pippin 0.05-0.11, Russets 0.06-0.07, Bramley's 0.07-0.09, Derbys 0.08, Laxton's 0.06-0.07. Celery—Per 12 0.90, pre-packed 20/23 2.40-2.50. Sprouts—Per pound 0.07-0.08. Beetroot—Per 12 lbs 0.70-0.80. Onions—Per 56 lbs 3.00-3.10. Swedes—Per 28 lbs Devon 0.50-0.60. Carrots—Per 28 lbs 0.60-0.70. Pears—Per pound Conference 0.10-0.11, Comice 0.13. Cauliflowers—Per 12, Lincoln 1.50-1.70, Kent 2.40.

JUTE

DUNDEE—Steady. Prices c. and f. U.K. for Dec.-Jan. shipment: BWB £193, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods quiet. Quotations c. and f. U.K. for Dec. shipment: 10-oz 40-inch £7.01, 7½-oz £5.28 per 100 yards: Jan. £7.14 and £5.36; Feb.-March £7.25 and £5.49. "B" twills £21.82 for all the above shipment periods. Yarn and cloths firm.

LONDON—Quiet. Bangladesh White C grade Nov.-Dec. £195, D grade Nov.-Dec. £188. A long ton.

CALCUTTA—Steady. Indian spot Rs.450.00 value. Dundee Daisee spot Rs.450.00 value. A bale of 400 lbs.

★

HIDES—Manchester. Slightly firmer. Second clear ox 31-35½ kilos 32.1p per kilo, 26-30.5 kilos 36.7p, 22-22.5 kilos 37.5p. Light cows 37.1p. No calf offered.

★

COPRA—Philippines: Dec. $205, Jan. $210, resellers, c.i.f. North European ports.

Trawlermen may face new fishing limits

BRITAIN'S TRAWLERMEN, faced with Iceland's 200-mile limit, may soon have to contend with similar limits in Norway, Canada and the U.S., according to a report from the Government's Training Services Agency yesterday.

The result of such boundary changes would mean that fishermen would have to change the habits of lifetime, it says. "The whole pattern of fishing as our trawlermen have known it may well change drastically. They will have to become more flexible and change the trawling habits of several lifetimes.

"The specialist — the herring man, the cod man, and all the others — with their specialised boats and equipment, will have to be prepared to learn new skills, use new gear, sail in new multi-purpose boats and fish for new fish."

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 1 1975	+ or —	Month ago
Metals			
Aluminium (u)	£396		£396
Free Market cif	£535-545		£510-525
Copper			
Cash Wire Bars (u)	£562.75	+2.0	£579.25
3 months do. do. (u)	£583.25	+2.5	£601.25
Cash Cathode (u)	£550.25	+2.25	£566.5
3 months do. (u)	£570.75	+2.75	£588
Gold Troy oz.	$139.25	+1.5	$143.25
Lead Cash (u)	£162.625	-0.625	£165.25
3 months (u)	£170.25	-0.5	£175.5
Nickel (u)	£2,415		£2,381
Free market cif (lb)	$1.9-2.0		$1.81-1.9
Platinum (u) troy oz.	£77½-82½	-1.0	£75½-80½
Free Market	£71.0	+0.2	£69.2
Quicksilver (76lb) (u)	$78-82	-2.5	$90-94
Silver Troy oz.	204.1p	-0.4	202.5p
3 months	209.8p	-0.7	209p
Tin Cash (u) §	£3,040	-3.5	£3,021
3 months (u)	£3,111	-2.5	£3,061
Wolfram 22.04lb cif	£42.5-44		£40.42
Zinc Cash (u) §	£330.125	+2.125	£350.25
3 months (u)	£342.875	+1.125	£358.75
Producers (u)	£390		£390
Oils			
Coconut Malayan	‡		‡
Groundnut			
e§	£382	-8.0	£417
Linseed Crude (u)	£377		£400
Palm Malayan (u)	£182		£190
Soyabean (u)			
Seeds			
Copra Philipp ton	$208	+3.5	$197.5
Gr'nuts Nigerian			
Linseed Can No. 1	£157		£157
Grains			
Barley EEC	£68.5		£68
Home Futures	£62.75	+0.2	£61.15
Maize			
French No. 3 Am.	£66.25		£65.5
S.A. Yellow	£67.25		£71.5
Wheat			
No. 1 Red Spring	‡		‡
No. 2 Hard Winter	‡		‡
Australian (f.a.q.)	‡		‡
English Milling	£68		£66.5
Cocoa Shipment (u)	£677	+7.0	£715
futures March	£642.75	+7.50	£562.75
Coffee Shipment (c)			
futures Jan. (u)	£738.5	+4	£718
Cotton "A" Index cent	55.7	+0.1	55.55
Jute LJABWC (d)	£196		£195
Rubber kilo	35p	+0.25	32.5p
Sisal EA3L (u)	$600		$600
Sugar (Raw)	£148	-3.0	£163
Wooltops 64s kilo	207p		204p
Cloves (Madagascar)	£2,480		£2,600
Pepper White ton	£960		£940
Black ton	£740		£735

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. e Seller's quotation. k Nov. u Metric tons. v September. w Nov.-Jan.

FINANCIAL TIMES

Dec. 1	Nov. 28	Month ago	Year ago
169.31	170.06	171.76	194.40

(Base: July 1, 1952=100)

REUTER'S

Dec. 2	Dec. 1	Month ago	Year ago
1141.4	1143.5	1142.9	1222.4

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Dec. 1	Nov. 28	Month Ago	Year ago
Spot	287.41	291.83	296.75	412.56
Futures	277.45	281.20	283.62	390.44

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 1	Nov. 28	Month ago	Year ago
Sple Commdty	751.3	752.2	743.2	838.5

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply fair, demand good. Prices per stone at ship's side. Cod (Shelf) 2.40-2.70, codling 2.20-2.40; haddock, large 2.70-3.20, medium 2.30-2.70; plaice, large 3.40-3.80, best small 3.00; skinned dogfish (medium) 2.70, large 3.00; lemon sole 5.00; rock fish 1.30, reds 1.40-1.80; saithe 1.00-70p.

U.S. Markets

Prices fall in spate of selling

NEW YORK, Dec. 2.

PERSONAL

CINEMAS (Contd.)

ART GALLERIES

CLUBS

EXHIBITIONS

FINANCIAL TIMES REPORT

Wednesday, December 3 1975

MEAT and POULTRY

Government support, higher prices and better weather than anticipated have all contributed to the U.K. meat industry being in far better shape than it was 12 months ago. But the prospects in the longer term remain problematical.

reached a record 9.11 oz per person, dropping back to 7.45 oz in the second quarter. Similarly, average expenditure was 24.58p per person a week in the second quarter of 1974, rising to 32.98p in January-March this year before easing back to 29.36 in the second three month period of 1975.

Lamb consumption has followed a similar but not such a pronounced pattern but pork and bacon consumption has dropped steeply following the sharper cutback in supplies and the steeper increases in wholesale and retail prices.

For producers the main difference between 1974 and 1975 is that in the past 12 months they have enjoyed the very thing they demanded as essential to preserve any semblance of confidence in beef production—that is a "floor" in the market. This has been provided—thanks to the agreement of Britain's other EEC partners—by a system of variable payments (virtually the same as the old deficiency payments of the U.K.'s pre-EEC days) which have brought producers' market returns up to a pre-determined level when market prices slipped too far.

Pressures

Even though beef producers, like other livestock farmers, have been under severe pressures over costs, made worse by long periods of unkind weather exacerbating feed shortages, at least they have the assurance of knowing what price they would get for their beef animals for months ahead.

Under-pinning the arrangements is the traditional EEC system of intervention buying if prices slumped too low. In the summer this is precisely what did happen and for the first time ever British beef was sold into intervention; but the three or four hundred tons involved made a tiny foothill alongside the EEC frozen beef "mountain" of some 300,000-tons-plus.

During the year the distributive trade has handled a record quantity of home produced beef with total home killed supplies at well over 1m. tons. Recently margins have tightened but earlier in the year the combination of increased sales at higher prices brought an increase in turnover and gross margins, as the Price Commission found during its special inquiry into meat margins.

As a result of its inquiries the Commission published a report which exonerated meat distributors from the charges often levelled at them by consumers and some producers of overcharging or profiteering.

The housewife is not getting a raw deal, stressed Sir Arthur Cockfield, the Commission's chairman, when the report was published in September. Profits and processing costs in meat distribution are extremely modest compared with those of most other industries, he said.

The investigation had been ordered following allegations that during the big slump in cattle prices in 1974 housewives were not benefiting and that the lower price levels were not passed on fully at the retail end. The Commission did find that distributors' profits increased during 1974 and the rise "was not entirely justified—small as it was in relation to final retail prices." However, there was evidence to show that this year profits had come down again wiping out some of the previous gains. The Commission is keeping the industry's margins under review.

Among the details, thrown-up by the report was the estimate that for every pound spent by consumers in an independent butchers shop last year, 80p represented the cost of the meat to the butcher, 8p staff wages; 1.5p rents, rates and electricity; ½p wrapping; 1p transport; 3p interest, laundry and other costs; leaving a net profit before tax of 6p for the working proprietor.

Price

In cash terms distributors' profits represented a small proportion of the retail price. In addition to the buchers' 6p per pound the net profit of wholesalers was the equivalent of 2p. Over the four years 1971-74 wholesalers had increased their profits by 1p in the pound and butchers by ½p. The increases had had only a small effect on the price of meat in shops, the Commission stated. Retail prices were up to 1½p in the pound higher than they would have been if distributive net percentage margins had remained constant over the four years.

Another boost for meat distributors during the year was the beginning of the first ever national meat promotion campaign by the newly formed Meat Promotion Executive. Its first, rather hurriedly drawn-up, campaign to tackle an autumn prices slump that never really developed to the extent prophesied inevitably attracted criticism. But the knowledge that the industry has £1.4m. a year to spend promoting its product is certain to give the trade more confidence which should reflect back to the producers.

How much the new body can do to persuade people to spend more on meat during the difficult years ahead with continued high unemployment and the fight against inflation is difficult to assess. As speakers at last month's annual conference organised by the Meat and Livestock Commission stressed there is no room for complacency over the amount of meat eaten at present. Dr. Ken Baker, MLC's livestock director, said: "Despite the increased spending power which became available during the relatively affluent years from the late 1950s to the early 1970s, there was little change in the overall consumption per head of red meat in the U.K. In 1973 and 1974 the overall consumption dropped from the levels prevailing during the 1960s and early 1970s. Also during these last two years our total consumption was below the average of the nine EEC countries for the first time."

And trying to prove that meat is not expensive he went on to point out that while the index of all food prices increased by 43 per cent., the retail price index by 47 per cent. and earnings by 49 per cent. over the past two years, meat and bacon prices rose by only 25 per cent.

Taken with the facts that Britain's self-sufficiency in meat supplies has bounded-up in recent years to 86 per cent. for beef; 78 per cent. for pigmeat and 57 per cent. sheepmeat (compared with 57, 64 and 44 per cent. respectively in the early 1960s) the picture looks quite rosy. But the image is false, he said.

Far from showing a buoyant and expanding industry the satisfactory self-sufficiency levels achieved recently were reached by slaughterings of many breeding animals.

In addition meat imports have fallen due in no small part to the U.K.'s failing ability to buy food cheaply on world markets. In 1961 the U.K. imported about 30 per cent. or 288,000 tons of the total of just under 1m. tons of beef available on world markets. Ten years later the U.K. imported only 249,000 tons or 13 per cent. of just under 2m. tons available.

"The implications are clear, if we are to maintain and hopefully increase our meat eating habits, we have to produce more meat at home from our own resources and as efficiently as possible," said Dr. Baker.

Bleaker

Professor George Allen, Aberdeen University's Professor of Agricultural Economics painted an even bleaker picture. "If we as a nation come to accept the policies necessary to ensure our economic revival it is quite likely that we shall not be able to afford much more meat in 1980 than we did 10 years earlier," he forecast. Domestic consumption of beef is likely to fall from around 1.24m. tons to as low as 900,000 tons by 1980.

"The next five years will see a stagnant demand for meat in the U.K. There will be some inroads of meat substitutes—not simply soyabean based foods but also cheese—and consumers will be under special pressure to switch from the more expensive meat items," he forecast. "In consequence the meat trade will find the rate of growth of its volume of sales substantially lower in the 1970s than in the previous decade."

Peter Bullen

Cattle and sheep

EMBROKESHIRE, or Dyfed is now called, I recently ...d a 150-acre farm whose ...r has decided to give up ...beef unit he had been de...ping over the last nine ... and go back to milking. ...was interesting as he had been panicked into the ... by the appalling prices of ...year. He had realised that the smaller scale farmer, under any system of hus...ry does not generate suffi... cash flow to be the main ...ort of the enterprise.

...is is not merely a question ...arket prices. It is simply ...use the beef animal is the ... converter of a farms re...es of grass and concen...s into meat or milk, the saleable products. To ...lify the equation, it takes ...t four pounds of compound ...ng stuffs costing 14p to ...ice a gallon of milk worth ...present prices 35p for ... year. The same ...nt fed to a fattening steer ...only produce just over half ...ound of liveweight gain ... at £25 per live cwt., the ...t price for next March will ...orth 11p.

...ctors

...ere are, of course, many ... factors. Milk production ...ghly labour intensive and ... as well, but where the ... is suited to it there is no ...arable line of animal pro...on to generate a worth... economic cash - flow. ...e beef production does suit ... farmers is as a subsidiary ...prise on a large arable or ... farm where the resources ...med would otherwise be ...d.

... of farming's tragedies ...recent years has been the ...er of farmers who ...pted to go in for beef pro...on as a main source of ...e on the prospect of event...igh prices under the Com... Agricultural Policy. Even ...se prices do arrive in time, ... have risen so much that ... very doubtful indeed if ...argins will be any more ...tive than they are to-day.

... situation for beef was ... a great deal worse by the huge increase in the national herd since 1970 which brought cattle stocks up by a total of 3m. head, from 12m. to 15m. at their peak. This increase was accompanied by no increase in either the land or the fodder stocks needed to feed them. The result has been a rise in the cost of fodder, hay, for instance, by 400 to 500 per cent., added to a doubling of concentrate and fertiliser prices.

It was, of course, imprudent of farmers to increase their herds in this way, but the growth cycle of the beef animal usually means that the man who raises the calves seldom fattens them out. In general, beef cattle pass through two or three hands before they are finally sold, the calf rearer, the store cattle improver and the final fattener. So those who initiated the increase felt no responsibility for what would happen after they sold their year's production.

In the event they received a very rude shock as the low prices for finished cattle, especially in 1974, had the effect of making their own sales returns collapse. It used always to be said that someone in this chain of beef production, either the rearer, the improver or the finisher lost money and in general it is the rearer who is most at risk.

Past Governments have recognised this, and as well as guaranteed prices have maintained a system of production grants for calf rearing. Either a direct subsidy of £8.50 and £6.50 for bull and heifer calves respectively from the dairy herd rising to payments totalling about £37 per head for a hill cow and her calf. Without these payments it is certain that supplies of cattle from these sources would have been much reduced. Even so hill farmers claim that in spite of the grants and the higher prices this autumn, the job is hardly viable.

The June 4 Census showed some evidence of a decline in cattle numbers but it is as yet too soon to determine whether this will be more than a correction of the overstocking which took place in the previous two or three years or a really substantial decline. The U.K. is at present self sufficient in beef and in the event of any shortfall there is at present an abundance of cattle in Ireland which has been the traditional source of beef cattle to make up British numbers. An indication of the increase in British herds is that imports of cattle from Ireland dropped from about 600,000 annually five or six years ago to nearly one-third of this figure recently.

The reduction in the U.K. importation of Irish cattle has been reflected in the amounts going into intervention in that country which has about the largest intervention beef stocks in the Community.

Cheapest

There is a further factor which any prudent farmer considering beef production would be wise to bear in mind. The U.K. consumer has up to now been able to enjoy the cheapest beef in Europe as the Government here has refused so far to implement Intervention buying to keep prices up. Instead there has been a flexible premium, in reality a deficiency payment to maintain farm prices. This has cost the Treasury about £100m. so far this year. By January 1, 1978 the intervention price here should approach the level ruling in other member States which would mean an increase in the price of beef by up to 60 per cent. to 70 per cent. Will the consumer pay these prices or will consumption patterns change? And will the Government still opt out of the EEC price structure?

In the course of the past few weeks there has been a very marked improvement in prices for calves and all ages of cattle. This is partly due to farmers restocking with more confidence thanks to a very favourable autumn which has certainly reduced the period of winter feeding which was at one time in prospect. There is also the incentive of a very high target price for beef next spring and early summer which should be reflected right through the chain of production. So total numbers should at least stabilise at a level significantly below the peak of 18 months ago, but one which should be maintained within the capacity of the industry.

Most beef rearing farms have a flock of sheep and after a pretty appalling period last autumn when the sheep suffered the same price disasters as beef cattle things have been fairly good. There is a guaranteed price for lamb and wool, supported by a deficiency payment system and the market has been helped in addition by exports to the French market which takes about 10 per cent. of total production. This market though is irregular in that it opens and closes arbitrarily, and imposes as well a levy equivalent to the guaranteed price in the UK.

British farmers had been hoping that the EEC would institute a regulation for sheep meat which would allow free access to the French market. The regulation has been proposed but neither the British or French Governments wish it to be put into effect. The French because it would tend to reduce prices paid to their farmers and the British because it would mean a substantial price rise for consumers, to say nothing of the damage which any such measure would do to New Zealand exports by raising their price on the British market or excluding them as it would have to do. The only possible solution at present would seem to be a U.K. quota based on present exports.

At present the British flock seems to be falling slightly and it is possible that this trend may continue as farmers find that they have alternative uses for their land. The attractions of oil seed rape as a crop have persuaded some farmers to get rid of their sheep and use this crop instead of sheep and grass in their rotations.

However, the need for sheep as an essential income earner on most hill and livestock farms will probably keep them well above their levels of a few years ago.

John Cherrington

Manufactured products

LIVESTOCK FARMERS and meat manufacturers share a common wish. They would both like to see an end to the "Green £," *or the "phoney £"* as they would call it, which is used in calculating EEC farm prices and charges in the U.K.

Alternatively they would like to see the "*Green £*" *devalued* in line with sterling so that on the one hand U.K. producers receive as much value from EEC prices as their counterparts in other Community countries, and that meat manufacturers from the Common Market do not have an unfair advantage over those in Britain.

The combination of monetary compensation payments and the transitional compensatory payments amount to an export subsidy of 8 per cent. on bacon, ham and other canned pigmeat products, according to the Meat Manufacturers' Association. This gives their EEC competitors an advantage which in these days of keen pricing and even keener shopping by consumers is hard to beat.

A few months ago the whole industry was despondent because of falling returns, rising costs, increasing *foreign* competition and grave fears of serious shortages of raw materials following the cutback in production by livestock producers, especially pig farmers. In recent weeks some of the gloom has lifted. Firstly, the Government *persuaded the EEC to sanction* the fourth devaluation in the "Green £." Secondly, the latest farm livestock census results have given the first indications that pig breeding *herd* cutback is ending and young breeding sow numbers are beginning to climb again. In addition Mr. Fred Peart, the Minister of *Agriculture, publicly told meat* manufacturers that he would continue to support the EEC Commission's moves to relax import restrictions on manufacturing beef. This ban, imposed the height of the Common Market beef glut last year, has been a source of frustration to the manufacturers.

Processing

Mr. Peart has said improvements to the EEC's system of linking beef exports to import commitments, the "Exim" system as it is called, will also help but manufacturers are not so sure about this. In addition he promised to press for the reintroduction of the scheme for importing non-Community frozen beef for processing at a reduced or nil levy.

The Minister told the MMA that he was not personally opposed to the idea of profits. Profits were needed in order to fund investment.

This touched on a particularly sensitive area for meat manufacturers who have for long complained of the difficul*ties caused by the Price Code, especially in its early days. The* combination of the Code and highly distorted market conditions had cast them into near despair, Mr. Bill Newton-Clare, MMA chairman, has stressed. Earnings were substantially below those of the rest of the food sector. Not a few companies were losing money substantially: most were making no profit in important sectors of their product ranges. Some had ceased trading, others were closing *factories* and *the* labour force had been cut by 5 to 10 per cent.

Meat manufacturers are by no means certain that they will be able to obtain *the type* and quantity of meat they need in the coming year or two despite the indications of the returning confidence in the British livestock industry.

A lot will depend on how quickly farmers swing back into pig keeping again. At least pigs are relatively quick and prolific breeders and another six months could radically alter the supply position. But some leading manufacturers believe that pigs will still be in short supply in late 1976 and into 1977.

If recent forecasts prove correct, Britain and the EEC could well be facing a shortage of all types of beef in 1977, including the cheaper beef processors require. That is why the industry is pressing the Government to do what it can to per*suade the EEC to drop its ban* on beef imports — which will happen very quickly, however, when any real signs of beef shortages in the Community appear.

The overall state of the economy and the restrictions on consumer spending as a result of inflation, wage rise limitations, reduced working hours and widespread unemployment naturally worry meat manufacturers. They are consoled *to a degree by the* thought that many of their products are viewed as cheaper but appetising alternatives to meat in main meals. Everyone realises that the British, particularly children, love their sausages, meat pies, hamburgers and other prepared meats. The quantities consumed are staggering though.

Every year we munch our way through some 300,000 tons of sausages and 150,000 tons of meat pies. For British farmers this represents a valuable outlet for most of the older cows not wanted by the butcher. A total of 250,000 tons of cow meat is used by meat processors every year and if bacon and ham are included about 600,000 tons of the U.K. national pig herd is handled by meat processors.

The meat makes up over half the manufacturers' costs on average as Mr. John Locke, executive vice-chairman of the Meat Manufacturers' Association, *pointed* out last month. Speaking at the Meat and Livestock Commission's annual conference about the role of the proteins made from soya and other substances he warned that there was *little doubt* that the cost of manufacturers' main raw material, meat, would continue to rise. Over the past ten years the average return to producers for pigs had risen from £2.19 a score (20 lbs) to about £6.40—an increase of 190 per cent. Cow prices had moved from £6.30 to £14.80 a live cwt or 140 per cent. Labour costs —manufacturers' second largest cost after meat—had also climbed steeply with pay rates going up by 140 per cent.

Policy

"Whatever policy changes may be made within the EEC context it is quite clear that the cost of beef in the U.K. will rise towards the EEC guide price, which is currently £450 per ton *above our market price.* Pigs are hopefully on a high (price) plateau, but inflation will continue to raise prices through the EEC as a whole. Mutton and lamb *prices* will inevitably increase as we bring these gradually within the Common Agricultural Policy regime" he said.

Although world prices for beef are lower than those in the EEC at present, cyclical movements would narrow the gap in the short term and in the long term growing world a[...]ence coupled with dema[...] would raise prices and a[...] markets.

"We shall have to rely [...]*creasingly on* supporting [...]selves, but this will be at a [...] and it seems to me inevita[...] that the roast beef of [...] England will become more [...] luxury and less our birthrig[...]" he forecast.

This did not mean that [...] was a case for substituting [...] meat in manufactured produ[...] with the cheaper new pro[...] products on a vast scale. [...] the incorporation of a sm[...] percentage of the new prot[...] could help to keep the price[...] meat products at an attrac[...] level competitive with [...] foods.

The so-called novel prot[...] were ideal for use in meat p[...]ducts whether through the [...]tive cheapness of the mater[...] or through their intrinsic p[...]*perties which reduce shrink*[...] and cooking losses. Meat ma[...]facturers could use them [...] weapon against the [...] enemies of rising costs and c[...]*petition from other*, meat[...] food products. Used to a lim[...] degree and clearly labelled [...] new proteins could help the [...]dustry maintain the meat ea[...] *habit and it was the sale* of m[...] products that they were in b[...]ness for, he stressed.

Peter Bu[...]

Investment market

THERE IS no shortage of opportunities for stock market investment in companies with meat and *poultry interests*, but the trading and net profit fluctuations characteristic of this sector have tended to be reflected in volatile share price performances. On the poultry side, for example, the share price of Bernard Matthews fell from 121p to 11p during 1974, but it has risen by over four and a half times this year.

The main feature of the last 12 months has been the contrasting fortunes of the meat processing and poultry businesses. For the former, it has generally been a difficult period —underlined by last week's disappointing results from FMC, as well as by the recent comments of Mr. Bill Newton Clare, who runs the Scot Bowyers meat division of Unigate and is also chairman of the Meat Manufac*turers' Association. He pointed* out that the negative cash flow of recent years, and the combination of the Price Code and highly distorted market conditions had meant that many companies were losing money. "Some have ceased trading, others have closed down factories or are in process of doing so, and there has been a substantial reduction in the labour force of between 5 and 10 per cent.

In Scot Bowyers case, the combination of reduced demand, competition from subsidised imports and more expensive *pigs led to a drop in profits* from £3.23m. to £2.25m. during the year to the end of March this year. And results during the current 12 months are going to be affected by the same influences since the relative prices of pigs and beef have yet to move in the group's favour: meat manufacturers generally are worried about the slow response of pig producers to higher prices. The impact on Unigate is shown by the fact that while Scot Bowyers was acquired at the end of 1972 for about 30 per cent. of the ultimate equity, its shares of pre-interest profits dropped *from over a sixth of pre-interest* profits to under a tenth in 1974-75.

The picture is no brighter at some of the other meat processors: Unilever, for example, has made no secret of continuing problems of the meat side of Walls, while at FMC profits for the 24 weeks to October 11 fell from £1.52m. to £172,000. The group blamed principally losses incurred by the Marsh/Harris group, whose margins have been hit by a combination of higher pig prices, increases in costs and price controls. FMC warned that there was unlikely to be any marked improvement in the current financial year. Moreover FMC's fresh meat side is also well down on *last* year's "quite exceptional" levels. These *prospects* and the recent controversy over the changes in boardroom control have been reflected in the recent share price performance *as the shares are now only* standing at a few pence above their 1975 low.

Even though some of the smaller companies have more flexibility, they have also been reporting lower profits—Pork Farmers, for example, was nearly a quarter down pre-tax at the half-year stage as a result of the combination of high prices being paid for pork and the impact on selling prices of legislative controls.

Contrast

In contrast, there has been a distinct improvement in the profits and prospects of the poultry producers this year, mainly as a result of a sharp rise in the price of broilers. The initial impact of this upturn was seen in the results of J. B. Eastwood for the year to the end of March. An interim loss of £1.37m. was clipped to a deficit of £544,000 before tax by the year end.

But the group only had the benefit of the more favourable trends for a short period before *the year end and the main bene*fits should come in the current year. Broiler prices were nearly a fifth higher during the first seven *months* of 1975-76 than during last year, and egg prices have also been firmer while feed costs are actually lower. The worry for the *medium term is that feed* costs have started to rise again and chick placings are also increasing—opening up again the possibility of over-production. *Although* the group should make profits of several million pounds this year, its share rating reflects the volatile record.

Fitch Lovell also reported a recovery in the results of its poultry divisions during the six months to the end of April, following a loss in the previous half-year. Similarly, FMC's recent problems would have been even worse but for a £450,000 turnround into profits from its poultry side.

The tu.key business has also been able to tell a much brighter story recently. Eastwood, for example, lost about £2m. in turkeys in 1974-75, but should be able to report far better figures in the current year following expected increases in the sale price of Christmas turkeys of more than a third over the past 12 months.

Bernard Matthews was particularly badly hit by the rise in feed costs and by tough competition from lower red meat prices. During 1974 a profit of £1.16m. was turned into a loss of £729,000—and the consequent sharp cutback in production by the early slaughter of the breeding stock and the reduction in stocks of frozen turkeys did not start having an impact until this year. In the first half of 1975, prices were roughly a fifth higher than 12 months earlier, so with steady feed costs, there was an improvement at the half-way stage from a loss of £542,000 to a profit of £42,000, with much more to come in the current half. However, the impact of the cutback in production was reflected in the fall in turnover from £3.79m. to £3.31m. during the period. The overall turnround in profitability has also been registered in the share price performance noted at the beginning of this article.

On the retail side, there are relatively few opportunities for direct investment in butchers— and the largest quoted company in this area is Matthews Holdings, which also takes a variety of other interests both in the U.K. and overseas. In June, when reporting a rise in pre-tax profits from £426,000 to £556,000, Matthews said that meat retailing had had a "satisfactory" period of trading.

Much of the meat retailing trade is part of larger public groups, such as the superm[...] companies, or specialist m[...] chains of larger retailing o[...]isations. These have bee[...] continuing source of tough c[...]petition for the indepe[...] *family butcher*.

The profits of meat ret[...] have come under close scr[...] this year following the P[...] Commission's report on mar[...] This concluded that there [...] no evidence of profiteeri[...] the expense of the cons[...] though profits did in[...] appreciably during 1974 [...] market prices for meat [...] depressed. This increase [...] according to the Comm[...] "not entirely justified—[...] it was in relation to final [...] prices." Evidence this yea[...]dicates that profits have [...] down again, wiping out so[...] last year's gains.

Peter Ri[...]

Agriculture Minister, Mr. Fred Peart, at Smithfie[...] Market earlier this year.

New efforts to promote sales

THE first national generic campaign to boost sales of meat, and beef in particular, was launched in September and received a mixed reception. The slogan used urging housewives to "have a bigger bit" of meat came *in for a fair amount of* criticism. But like it or not the campaign appears to have been successful in achieving its objective. The basic purpose of this initial short-term advertising campaign was to try *to maintain* meat sales and prices at a time when the usual seasonal autumn "flush" of supplies, up 15 per cent. this year on last year's high levels, *threatened to undermine the* market completely.

In the event the market easily absorbed the extra supplies, and prices remained remarkably firm, increasing rather than falling as a result of better demand. The Meat Promotion Executive, who organised the campaign, do not claim that it was necessarily the only reason why meat prices remained so firm, but there seems no doubt that it was a significant influence and, therefore, £250,000 well spent.

However, the "autumn flush" campaign was very much a hastily conceived preliminary exercise to deal with a particular problem, and was only the start of what is hoped to be a more long-term campaign to try to eliminate the cyclical price trends that are so disliked both by producers, when prices are low, and consumers when prices are high.

The Meat Promotion Executive, formed as an offshoot of the Meat and Livestock Commission, and financed by a levy on all animals slaughtered, is in*tended to perform a permanent* function in trying to stabilise meat prices more in future. It is estimated that the levy will provide funds of over £1.4m. a year—a small amount compared with other food advertising expenditure and trying to change the buying habits of housewives spending some £3.3bn. annually on meat. The fundamental approach will be to sell meat on its merits as a basic food, containing valuable protein and other nutritional advantages. The aim is to "educate" the housewife sufficiently about meat, so that its notorious price sensitivity in selling is diminished.

At present price is used as the main sales promotion weapon, so inevitably the cycles of shortages and gluts are encouraged *making* forward planning of production by farmers of beef, in particular, a nightmare especially in these days of roaring cost inflation. Only by creating a steadier demand, less influenced by prices, can producers be encouraged to invest in beef cattle in sufficiently large numbers to avoid the cyclical shortages.

At the same time, the meat industry is aware that its product is threatened by competitive, and substitute foodstuffs, as well as coming under increasing criticism as a wasteful way of using the world's limited food resources. Cattle are poor converters of *grain* into food and as the world's population grows demands for grain substi-

CONTINUED ON NEXT PAGE

Better returns on pigs

IN CONTRAST to last year when, despite surprisingly strong consumer demand in the face of record prices, poor returns were posing a real threat to the European pig producing industry, 1975 has seen a return to profitability which is now beginning to attract some of Britain's "floating" pig producers back into the market.

Though improved returns have been partly due to an easing in the feed cost spiral, the main cause of the return to profitability has been the decline in supplies which has enabled bacon and pork prices to rise to record levels despite signs of consumer resistance. This fall in production itself traces back to last year's difficult conditions which forced many marginal producers out of pig farming and discouraged small production by bigger operators.

Bacon

Total supplies of bacon to the U.K. market during 1975 are estimated by the British Bacon Curers' Federation at 482,830 tons, 37,860 tons below the 1974 figure, which itself compared with 549,000 tons in 1973 and 577,000 in 1972. The decline has been reflected both in home production and in imports but U.K. farmers have fared less well than the Danes who this year have regained first place among bacon suppliers to the British market. Danish bacon imports to Britain are expected to reach 223,810 tons this year, representing 46.35 per cent. of total supplies, while last year's 230,640 was only 44.29 per cent. of the total. At the same time home production has declined from 240,280 tons to 207,280 or from 46.14 per cent. to 42.92 per cent. The proportion shipped from third countries has risen marginally.

The recent rise to record prices, with Danish bacon standing at £955 a ton and British at £945, was presumably based on expectations of a traditionally strong pre-Christmas market. The rise came earlier than usual this year but suppliers may have felt that any immediate loss of sales would be made up before Christmas and that with no significant extra supplies likely to come forward for the Christmas market there was no point in delaying the price increase in the hope of selling more bacon in the short term. However, the position seems to be changing and the Danish bacon importing company reported last week that increased supplies would be available in the coming weeks after all.

To be fair it must be pointed out that the Danes were under special pressure to raise their price to compensate for the £80 a ton they lost through October's green pound devaluation and a subsequent scheduled cut in the transitional compensatory amount paid on bacon shipped to the U.K. But in some trade quarters serious doubts have been voiced as to whether the recent price rises have really been justified by the level of demand. And many merchants fear that the seasonal decline in demand which must be expected after Christmas could be especially difficult to deal with this time.

In the longer term also price prospects are none too bright for the pig industry. Signs of a rise in U.K. pig numbers have been noted and this expansion should begin to move into production in the New Year. No significant rise in overall availability is expected to make itself felt until April or May but in the meantime suppliers will have to face the possibility of serious consumer resistance to current record price levels during what is usually a slack time for bacon demand.

The pattern of alternating shortages and surpluses bringing respectively high and low returns for farmers has been a constant cause of difficulty for pig producers. The "pig cycle," as it is known to the trade, is a classic case of the law of supply and demand. Low prices in times of surplus force marginal (and less efficient) producers to abandon pig rearing temporarily thus bringing a cutback in supplies which enables the remaining producers to reap healthier profits as prices rise. This in its turn attracts the "floating" pig farmers back into operation leading to renewed surpluses and lower prices so that the cycle is ready to start up again. In recent years high inflation has meant steadily increasing prices which have disguised the operation of the cycle but in terms of net returns on production it is still fully effective.

Instability

Before entry into the EEC this basic instability was counteracted by a comprehensive price support system including a flexible guaranteed price and a feed price formula, but with both of these now gone the market is once again at the mercy of the economic cycle. The desire for stability and the possibility of positive forward planning has therefore revived interest in the possibility of establishing a futures market in pigmeat and the Meat and Livestock Commission is currently undertaking a feasibility study on this question.

Such a market could enable a return to the system of fixed price contracts which was operated under the now defunct price guarantee scheme. Farmers would be able to guarantee themselves a steady return by combining use of the pigmeat futures market with operations on the grain futures market thus hedging against rising feed costs. U.K. farmers are traditionally sceptical of such new ideas, however, and though such a scheme is reported to be working well in the U.S. this does not mean that it would necessarily work in the U.K.

Another scheme for restoring confidence to pig producers was undertaken recently with the formation of a fresh pork production and marketing co-operative in Cheshire. Its members aim to sell their produce through local butchers under a brand name. One pilot group involving ten producers is already operating the system in Macclesfield and are so far pleased with the way in which it is running, according to Criddle and Co., the animal feed compounding company which originated and organised the scheme.

A factor hindering attempts to bring more stability to the U.K. pig industry is the inadequacy of reliable information. In a study published earlier this year the Meat and Livestock Commission (MLC) noted that "certain aspects of the basic structure of the industry can only be estimated rather than proved from available statistics." The Commission noted in particular that it was impossible to assess acurately how many herds had expanded and contracted their production or to define the rate at which new producers start production and old ones drop out. In addition "it is not known what proportion of pigs are bred and fed on the same premises as distinct from those which are transferred from breeding units to feeding units in separate ownership."

The MLC also noted the importance of outside influences on the prosperity of pig producers. "The general affluence of the consumer is the main influence on the total quantity of meat eaten and developments in the production and marketing of meat analogues will have an important influence on the future of the pig industry," it declared.

Richard Mooney

Poultry cuts

THIS YEAR has been one of consolidation for the poultry industry after the disastrous experiences suffered in 1974. Supply has been cut back into line with reduced demand, and the industry is now hopeful that 1976 will see a resumption of the expansion in the market, as a result of the expected higher prices and cutback in supplies of the competitive red meats.

It has not been a particularly profitable year for either chicken or turkey producers. Indeed the turkey producers have been under particular pressure, with prices dropping by some 15 per cent. while output costs have continued to rise and retail prices remaining at a low level. Continued efforts have been made to solve one of the turkey industry's most difficult problems—the concentration of sales at Christmas. Advertising campaigns and promotional efforts have managed to boost turkey sales at other holiday times; notably Easter and the Spring and Summer Bank Holidays. But still half of the 13m.-15m. turkeys produced annually are sold at Christmas. Because of rising costs, and competitive pressure, the amount of turkeys produced by small farmers just for the Christmas trade is tending to decline. This year heavier weight fresh turkeys are expected to be in shorter supply, but there should be adequate supplies of the frozen, oven-ready, birds, particularly in the lighter weights. The big producers, anticipating less money being available for shopping, have concentrated even more on the mini-turkey, whose size and weight is more suited to many housewives trying to keep spending down to a minimum.

This year it is estimated 7 per cent. more mini-turkeys are being produced for the Christmas trade. In addition the turkey producers see one of the major areas of sales expansion in portions, and processed form such as rolls and loaves that can be cut quickly by machine or hand. The industry is confident that expansion will be resumed again in 1976 as competition from other meats lessens and measures to boost turkey sales in various ways take effect. However, the shocks of the past two years have left their mark on all the producers, who are still battling with the effects of inflation on output costs. The scope for improving efficiency in production is by no means as great as in the past in view of the great strides made in the last 20 years or so in converting the turkey from a luxury product to a very competitively priced meat. So producers are anxious to ensure that the price they obtain from the market is adequate to meet their costs and avoid a repetition of some of the crippling losses suffered recently.

Competitors

The only way this can be achieved is by keeping production in line with demand; and this will require a great deal of co-operation amongst producers, who are basically competitors. But no one wants to see a repetition of the 1974 situation and the relatively small number of large producers enables them to adopt a joint approach more easily than other less integrated industries. Broiler chicken producers have suffered in much the same way as turkey growers, with sales being hit by the glut of red meat, particularly beef, available. Chicken sales have fallen below the 300m. mark as a result, but the decline has been arrested by keeping prices remarkably low in view of the continuing increases in output costs. Naturally this has affected profitability badly, especially as egg prices have also been at disastrously low levels for much of the year.

However, the integration of the chicken industry, and the ability to arrange long-term contracts for supplies is a considerable help in planning production to be close to anticipated demand. Poultry producers point out that chicken and turkey are much better converters of grain into meat than cattle or sheep, and that therefore there is strong case for encouraging poultry output at the expense of other meats in a world where a large proportion of the population is still suffering from undernourishment or starvation.

They point out that it is grossly unfair and unwise to spend enormous sums of money subsidising a beef "mountain" while the poultry industry receives no financial aid at all, in Britain at least. It has to stand on its own feet and compete with other meats, supported by heavy subsidies either indirectly to the producer or directly like the beef voucher system used last year to try and dispose of surplus supplies.

The absence of plans to boost U.K. poultry production in the Government's White Paper—"Food from our own resources"—is far from encouraging for the future. The efficiency of the U.K. poultry industry in expanding output and keeping prices low means that Britain is self-sufficient in poultry meats, with imports accounting for only around one per cent. of total supplies.

But the industry, particularly if it hopes to expand its export markets, is troubled by the constant flow of complicated rules and regulations emanating from the EEC Commission in Brussels. The fight against the Community ban on uneviscerated birds being imposed in Britain has been postponed for some years ahead. However, there are a host of other regulations, which are presenting considerable problems to U.K. poultry producers, both in production and trading. Here it is hoped that the establishment of a closer relationship with Continental poultry producers might bring more influence to bear in the years ahead on Community decisions, and perhaps more favourable treatment for poultry as an increasingly important source of protein.

John Edwards

Sales

CONTINUED FROM PREVIOUS PAGE

...e products to be used instead of meat will grow.

The most immediate threat is posed by the ubiquitous soya-bean, with synthetic meat already being widely used in an increasing range of products, even without the consumer even knowing or having little choice, as in school meals or prisons and hospitals. Since the Meat Promotion funds are being provided by British farmers, the campaign has naturally been aimed at boosting British meat in particular. But it is claimed that in reality the campaign will be boosing all meat, of whatever nationality.

However, Scotch beef producers are attempting to promote their own brand image; New Zealand has spent a great deal of time and effort in promoting its lamb, and Ireland is now making new efforts to establish the quality of Irish beef in the mind of the British housewife.

The slogan "Great grass makes great beef" summarises the natural advantage enjoyed by Irish farmers but this is only the tip of a concerted campaign by the Irish Livestock and Meat Board concentrated mainly on the trade. Basically Ireland is aiming at re-establishing the image of its beef in line with the changed circumstances since entry into the European Common Market. In the past much of Ireland's best cattle came to Britain for "fattening" before slaughter and was then sold as English or Scottish beef. So Irish beef exports tended to win their place in the competitive U.K. market by price rather than quality. But circumstances have changed completely now. The store trade in cattle for fattening from Ireland continues, but at a lower rate; the cattle herd in Ireland has expanded considerably and the development of modern meat plants during the past two decades means that Irish beef is claimed to be as good as the competitive product in Britain. Under the guidance of the Irish Meat Board the beef export trade has been exepanded enormously into many different markets worldwide, breeding research has been intensified and the slaughterhouse facilities are of the highest standard with up-to-date equipment not seen in many British meat plants. Without the kind of money to spend on the British beef industry for national publicity, the Irish Meat Board has initially concentrated on in-store promotions mainly in multiple stores aimed at demonstrating both to the public and the trade that the quality of Irish beef is more than equal to its rivals.

"In the past it was a well-known practice in the trade, and this still goes on at present, for some retailers to stick a Scotch or English beef label on to Irish beef in order to obtain a premium price. Obviously the Irish heartily disapprove of this practice and in future want to ensure that they get the credit for their own beef. Britain remains Ireland's most important beef export market and as a fellow member of the EEC the plan is for continued promotion to ensure that sales of Irish beef expand their share in the U.K.

John Edwards

STOCK EXCHANGE REPORT

Buyers back in the market for leading equities

Index up 5.4 at 366.6—Gold shares good with bullion

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 17	Nov. 27	Nov. 28	Dec. 9
Dec. 1	Dec. 10	Dec. 11	Dec. 22
Dec. 12	Dec. 23	Dec. 24	Jan. 7

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Leading equities saw more active conditions yesterday as buyers took Monday's late rally a good stage further. Sentiment was helped by reports that a large line of Imperial Chemical Industries' shares had changed hands through the market and it was noticeable that institutions left the side-lines they had occupied recently and were bidding for stock. Profit-taking towards the close and in the after-hours' trade left some of the leaders a penny or two below the best, but the FT 30-share index managed to close with a gain of 5.4 at 366.6, after having been 7.6 up at 2 p.m. The undertone at the end was fully firm.

The day's improved activity was reflected in official markings of 7,233 compared with 6,344 on Monday. EMI stood out following fresh favourable Press comment on the company's revolutionary x-ray scanner and, although below the best, closed with a gain of 6 at 234p for a two-day rise of 17. Secondary equities often firmed in sympathy with the leaders, but were not paid quite the same attention by buyers. Rises led falls by a little over 3-1 in FT-quoted Industrials, and the broadly-based FT-Actuaries All-Share index gained 2.1 per cent. to 154.89.

Long Gilts steadier

Down to a two-year low on Monday, the Gold Mines index rebounded 10 points yesterday to 228.4 as London, Continental and U.S. demand pushed prices sharply higher; sentiment was helped by a recovery in bullion of $1.50 to $139.25 an ounce.

British Funds passed through a quiet phase with the shorts retaining a firm undertone and the longer end steadying after the recent unsettlement. Further switching into the old "tap," Treasury 12½ per cent., 1992, and into the Treasury 9 per cent., 1994, and 1992 96, stocks took place but even this failed to move the respective quotations from overnight list levels for any length of time. Remaining longs, meanwhile, fractionally hardened and then eased to close unaltered on the day. At the shorter end, indications of a further easing soon in U.S. interest rates were sufficient to counter the trend in sterling and quotations improved marginally in a small trade.

A small evenly balanced business left the investment currency premium ¼ higher at 113 per cent. Yesterday's S.E. conversion factor was 0.6056 (0.6041).

Brazil Fund S.A. Depositary shares made a quiet debut yesterday, opening and closing at $US12¼ compared with the placing price of $US12.03.

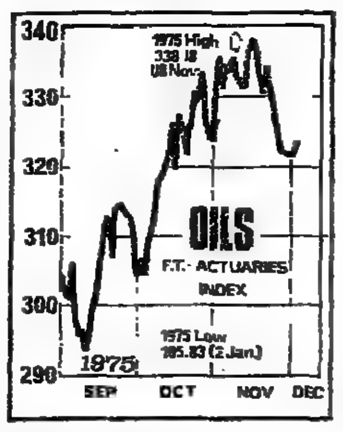
Banks firm

The volume of business in the big four Banks improved considerably and although closing levels were a couple of pence below the best, net gains of 8 were recorded in Barclays, 298p, Midland, 290p, and National Westminster, 240p. Lloyds were 6 better at 228p. Bank of Scotland firmed 5 to 290p in sympathy and Bank of Ireland put on 15 to 375p. Overseas issues were distinctly better with gains of 10 and 13 respectively recorded in Australia and New Zealand, 435p, and Standard and Chartered, 473p, following excellent trading news. Discounts firmed, where changed, with Alexanders 15 to the good at 215p. In Merchant Banks, Fraser Ansbacher edged forward 1½ to 11p on Press comment.

Insurances joined in the general market upturn. Press comment on the proposed £25.8m. "rights" issue left Eagle Star 3 better at 128p, while "Royals" rose 8 to 306p. General Accident, the only major Composite left to announce a "rights" issue, gained 4 to 166p.

The Drinks sectors was featured by Arthur Bell which rose 8 to a 1975 high of 130p. Luis Gordon were also favoured at 28p, up 5, and Distillers edged forward 2 to 129p. Breweries were somewhat subdued but managed to edge forward in places.

Buildings closed widely better. R. Costain improved 8 to 232p,



while John Laing 'A', 128p, Taylor Woodrow, 304p, and L. Fairclough, 192p, were all 6 higher. Marshalls (Halifax), still on the interim report, picked up 3 more at 78p. Associated Cement rose 5 to 182p. Magnet Joinery improved 7 to 208p and Southerns-Evans 6 to 131p. Benfield and Loxley ended a penny better at 27p after the interim figures, but *British Dredging* eased a penny to 21p on the first-half loss. Francis Parker gave up 2 at 9p following the chairman's statement.

ICI finished a penny harder at 314p, after 312p; it was reported that a line of around 1½m. shares had changed hands.

ATV 'A' rose 4 to 66p despite adverse Press comment.

EMI below best

Bullish Press reports on the company's X-ray Scanners helped to stimulate activity in EMI; the shares closed 6 higher at 234p, after 237p, for a two-day advance of 17. Other leading Electricals made fresh progress, but tended to react later. Plessey, 80p, after 82p, and Reyrolle Parsons, 74p, both ended about 3 firmer, while GEC lost an early gain of 3 to close unaltered at 146p. Elsewhere, Decca "A" improved 6 to 236p, while similar improvements occurred in Chloride, 104p, Ever Ready, 109p, and MK Electric, 63p. Racal Electronics, ahead of tomorrow's half-time results, firmed another 3 to 185p.

Leading Stores closed harder for choice and slightly below the day's best. British Home Stores new nil-paid shares closed 3 firmer at 57p premium following a reasonable turnover. B. Paradise, still reflecting the interim statement, picked up a penny more to 24p. Allied Retailers were raised 5 to 100p, while *Spirella*, 51p, and *Dixon's Photographic*, 56p, put on 3 apiece. After Monday's fall of 12, W. H. Smith "A" became a steadier market, closing *unchanged on the day at* 368p, after 370p, ahead of to-day's interim statement. Interest in Shoes was largely confined to Church, 3 up at 118p, and *Strong and Fisher, 5 higher at a 1975 peak of* 78p.

Tube Investments again led Engineerings, rising 8 to 296p, after 298p, with Vickers putting *on 7 to 146p. Impressive gains* also appeared among second-line issues. Weyburn jumping 17 in a thin market to 365p, still on hopes of either a bonus "rights" issue *or share split. Lake and Elliot* spurted 10 to 73p, helped by stock shortage. Glynwed were active and 5 higher at 100½p, while Serck rose 3½ to 45p. Ahead of to-day's interim results, B. Elliott gained 2 to 51p, but Wagon Industrial lost 2 to 86p. News of the first-half recovery put Smith (Whitworth) 1 better to 6½p and Tecalemit improved similarly to 45p after good half-yearly figures. Thomas Robinson, 62p, and *Edgar Allen Balfour*, 64p, were respectively 5 and 4 higher, while Westland put on 3½ to 55½p. Swan Hunter, in Shipbuildings, were little influenced by the increased interim dividend and accompanying statement, hardening only 1 to 55p.

In firm Foods, RHM closed without alteration at 49p following the preliminary figures which were in line with market expectations. Alpine Soft Drinks edged up 2 to 112p in front of to-day's *interim report, while Northern* Foods rose 3 to 74p and Geo. Bassett and Rowntree Mackintosh both put on 4 to 85p and 186p respectively. Hazlewoods (*Proprietary*) *rallied 3 more to 20p,* but Louis C. Edwards eased 2 to 8p. Spillers issues were active, the Ordinary closing a fraction easier at 43p, after 44½p, and the new nil-paid shares closing unchanged at 4½p premium, after 5½p premium. J. Lyons 'A' moved up 5 to 150p in front of to-day's interim statement.

Reed Intl. rise

Miscellaneous Industrial leaders improved afresh during a moderate business before ending a little below the day's best. Reed International stood out with a rise of 10 at 238p, while Bowater recorded a gain of 6 at 165p. Reckitt and Colman closed 5 up at 320p, after 325p, while Beecham, 338p, after 340p, and Turner and Newall, 146p, both finished 4 better. Pilkington recovered 4 to 272p awaiting to-morrow's half-year results. Unilever relinquished an initial gain of 4 to finish unaltered at 404p. Elsewhere, Johnson Matthey were favoured and advanced 17 to 317p. I.C. Gas moved up 11 to 373p and Charles *Hill of Bristol 8 to 93p, while rises* of about 6 occurred in Thomas Tilling, 79p, Hestair, 73p, Braby Leslie, also 73p, and Christie-Tyler, 83p. English China Clays, 68p, and BTR, 146p, *improved 4 apiece.* The half-year report left LCP a penny better at 68p, but Petrocon, after hardening to 118p, came back to 114p to leave no change on balance *despite the profits* advance. Somic were an easier market at 20p, down 2, on consideration of the half-year profits setback. Dealings in B. S. and W. *Whiteley, 38p, were temporarily* suspended yesterday at the company's request pending an announcement.

Motors and Distributors closed modestly better despite news of petrol price increases and the labour problems currently affecting production at British Leyland; *the latter ended 2 better at 32p.* Dowty were raised 3 to 157p as were J. Woodhead to 90p. Kwik-Fit hardened a penny to 29p on the interim figures, while Commercial Vehicles had York Trailer 2 firmer at 28p and Crane Fruehauf 3 dearer at 18p. In Garages, Henlys, 75p, and Kennings, 52½p, put on 4½ apiece.

Daily Mail "A" revived ahead of to-day's interim results, gaining 7 to 175p, while Thomson moved up 4 to a fresh peak for the year of 226p. To the fore among Publishers were Associated Book, 5 dearer at 55p, and Marshall Cavendish, which improved 2½ to 25p. Paper, Printings contained little of note except for Chapman (Balham), 5 higher at 120p, and Sir Joseph Causton, 1½ harder at 11p.

Property leaders saw a more active trade but continued to move within narrow limits and closed a shade easier for choice. Land Securities, 166p, after 165p and 168p, and MEPC, 64p, both ended a penny down, but English Property were that amount better at 48p. Chown Securities provided a weak spot in secondary issues, recording a loss of 2½ at 7p in reflection of the dividend omission and loss. On the other hand, Haslemere Estates put on 3 to 176p awaiting tomorrow's interim results, while the preliminary statement left Land and House a penny firmer at 72p.

Siebens (U.K.) flat

The BP/Gulf agreement with Kuwait over their remaining assets in that country aroused little interest in Oils, which tended to miss out on the general market rise. British Petroleum improved to 370p before a close of a net 8 higher at 368p, but Shell rescinded an early *gain of 4* to end unaltered on balance at 370p. Royal Dutch continued to improve, rising ½ to £31½, and Tricentrol revived on rumours of *increased U.S. gas prices, gaining* 4 to 50p, after 52p. News of the dry North Sea well put Siebens (U.K.) down to 310p, prior to a close of 240p for a drop of 145. *Elsewhere,* Associated Australian picked up 5 to 160p, but Woodside-Burmah reacted 6 to 114p and Pan Ocean lost 60 to 715p.

Overseas Traders were firm. *Gains of 5 occurred in Lonrho,* 120p, S. and W. Berisford, 133p, and Inchcape, 345p, while Harrisons and Crosfield recouped 25 at 775p.

Lobok Investments hardened 1½ to 11½p and the 12 per cent. Convertible picked up 1 to £75 in Trusts on the disclosure that the *company* had disposed of its 28.6 per cent. shareholding in Malit Securities (unaltered at 28p) at 33p a share for around £175,000. First Talisman edged forward 1½ more to 7½p on further consideration of the bid from Energy Finance and General Trust. Dalgety gained 8 at 210p and S. Pearson rallied 5 at 135p.

Furness Withy remained a depressed market in Shippings, losing 6 more to 187p on further consideration of Monday's declaration from Eurocanadian Shipholdings that they have reduced their holding *in the company by* over 8 per cent. to 20.54 per cent. Elsewhere, Milford Docks came on offer and, in a thin market, fell 10 to 40p.

With the exceptions of Atkins Bros. (Hosiery), 30p, and Parkland "A", 20p, which both cheapened 2 on disappointment with half-year figures, Textiles generally displayed a firm bias. Courtaulds hardened 2 to 145p, as did Carrington Viyella to 28p, while Coats Patons added 4 at 63p. Tobacco leaders took a turn for the better with Imps up a penny more at 80p and Bats 2 higher at 320p.

Among irregular Plantations, Longbourne hardened 2 to 65p, after 68p, on the results.

Rally in Golds

South African Gold shares staged a strong recovery in line with *bullion despite the easier* trend in overnight U.S. markets. Share prices opened firmer with local and Continental buying in evidence. Following the higher afternoon fixing of the metal, persistent U.S. buying developed and left Golds with substantial gains.

The Gold Mines index advanced 10 points to 228.4 and bullion was *finally $1.50 higher at $139.25* an ounce.

Rises in the heavyweight issues ranged to £1 in Vaal Reefs [illegible] and West Driefontein (£35½), while *Randfontein* (£17), *Buffels* [illegible] and Hartebeest (£15) all gained ½.

Financials mirrored Golds and were also helped by the firmness of U.K. Industrials. "Amgold" rose 1½ to £27¾ while General Mining and GFSA both put on ½ to £23 and £22 respectively. Persistent Cape buying left Union Corporation 20 higher at 400p.

Platinums gained ground on Cape interest. Lydenburg rose [illegible] to 98p and Potgietersrust hardened 2 to 152p. In a firm Rhodesian section, Coronation advanced 15 to 175p while Globe and Phoenix gained 3 to [illegible] reflecting its holding in Phoenix Mining which reported a return to the dividend list.

In Coppers, RCM were marked up 10 to 180p but Botswana RST fell to a year's low of 40p before closing 2 easier on balance at [illegible].

Australians generally succumbed to profit-taking, reflecting the trend in markets "Down Under." Pancontinental fell [illegible] to 915p and BH South 10 to [illegible]. Poseidon, however, rose 5 to [illegible].

FINANCIAL TIMES STOCK INDICES

	Dec. 2	Dec. 1	Nov. 28	Nov. 27	Nov. 26	Nov. 25	A year ago
Government Secs.	58.17	58.18	58.37	58.65	58.88	58.58	[illegible]
Fixed Interest	58.51	58.54	58.80	58.90	58.86	58.90	[illegible]
Industrial Ordinary	366.6	361.2	357.3	360.5	367.8	373.1	[illegible]
Gold Mines	228.4	218.4	222.7	224.9	228.1	235.0	[illegible]
Ord. Div. Yield %	5.75	5.83	5.90	5.85	5.74	5.67	[illegible]
Earnings Yld % (full)	15.98	16.22	16.44	16.31	15.99	15.80	[illegible]
P/E Ratio (net) (a)	9.10	8.97	8.65	8.92	9.10	9.21	[illegible]
Dealings marked	7,233	6,344	7,404	6,548	6,656	7,832	[illegible]
Equity turnover £m	—	60.97	75.96	63.30	65.99	51.95	[illegible]
Equity bargains total	—	14,074	17,987	17,480	16,021	14,906	[illegible]

10 a.m. 363.2. 11 a.m. 364.9. Noon 365.6. 1 p.m. 365.8. 2 p.m. 365.5. 3 p.m. 366.7.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.86.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.64 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	377.8 (19/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.5 (22/5)	218.4 (1/12)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 2	Dec. 1
Daily—		
Gilt Edged	186.5	[illegible]
Industrials	251.5	[illegible]
Speculative	52.8	[illegible]
Totals	164.6	[illegible]
5-day Average—		
Gilt-Edged	171.7	[illegible]
Industrials	259.8	[illegible]
Speculative	55.3	[illegible]
Totals	155.6	[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	12	1	[illegible]
Corpns., Dominion and Foreign Bonds	12	1	[illegible]
Industrials	340	176	[illegible]
Financial and Prop.	235	34	[illegible]
Oils	10	5	[illegible]
Plantations	4	7	[illegible]
Mines	58	28	[illegible]
Recent Issues	25	7	[illegible]
Totals	703	244	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Tues. Dec. 2 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Est. P/E Ratio (Nil) Corp. Tax 52%	Mon. Dec. 1 Index No.	Friday Nov. 28 Index No.	Thurs. Nov. 27 Index No.	Wed. Nov. 26 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	138.07	+2.6	16.66	6.04	9.00	9.00	134.60	135.51	137.10	139.69	56.02	143.95 (12/11)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	132.65	+2.8	13.60	6.51	11.25	11.25	128.98	130.49	131.93	135.16	51.48	139.19 (18/11)	46.11 (6/1)	234.94 (26/6/72)	24.27 (11/12/74)
3	Contracting, Construction (23)	258.68	+3.3	14.99	5.07	10.04	10.04	250.35	245.06	248.42	253.24	74.46	263.54 (12/11)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	244.11	+2.5	16.72	4.76	8.76	8.76	238.07	236.79	239.66	243.11	100.87	254.66 (12/11)	98.49 (2/1)	380.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	157.50	+1.1	20.56	7.36	7.41	7.41	155.84	155.30	154.67	157.56	75.08	164.07 (19/11)	64.39 (2/1)	303.57 (2/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	119.44	+2.4	16.47	7.05	8.11	8.11	116.66	117.85	119.34	121.66	50.56	123.15 (13/11)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	48.21	+1.6	17.51	8.75	10.29	10.29	47.46	48.25	49.34	50.10	22.00	50.91 (21/11)	20.11 (2/1)	136.70 (4/1/68)	19.96 (17/12/74)
8	Miscellaneous (24)	117.80	+1.9	17.55	6.76	8.57	8.57	115.55	115.83	116.71	118.44	55.58	121.76 (6/6)	49.65 (6/1)	177.41 (27/6/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	113.17	+2.4	16.36	5.46	9.21	9.20	110.52	110.57	112.42	114.62	44.73	117.45 (13/11)	38.39 (6/1)	227.78 (2/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	125.59	+2.7	15.05	4.36	[illegible]	9.92	122.27	121.56	125.88	126.99	46.14	131.94 (19/11)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	162.86	+0.7	16.05	5.45	9.77	9.74	161.80	163.10	165.35	166.95	68.09	165.90 (19/11)	64.53 (6/1)	263.22 (4/6/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	67.15	+2.6	16.97	6.98	8.09	8.09	65.45	65.86	66.02	68.68	26.70	70.26 (18/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	146.77	+2.2	15.44	5.90	10.98	10.88	143.57	143.92	144.86	148.17	65.05	152.28 (12/11)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	159.51	+1.1	12.94	5.44	11.79	11.79	157.76	159.04	160.34	162.09	72.64	172.53 (12/11)	75.88 (6/1)	281.87 (25/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	157.89	+2.5	12.09	6.39	12.55	12.55	154.34	156.75	157.94	159.65	80.64	177.94 (8/7)	80.42 (6/1)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	181.92	+4.2	11.96	6.68	13.39	12.76	174.60	174.66	176.35	179.76	62.47	182.86 (18/11)	55.26 (6/1)	389.99 (22/12/72)	54.87 (17/7/74)
17	Food Manufacturing (22)	160.43	+1.7	13.11	5.07	10.66	10.62	157.74	158.08	158.81	161.90	62.59	166.80 (12/11)	62.05 (7/1)	211.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	142.46	+2.6	10.39	4.80	15.34	15.34	138.88	138.76	139.97	144.52	55.93	155.88 (14/11)	57.15 (2/1)	255.08 (15/7/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	160.80	+1.5	14.20	6.29	10.54	10.54	158.49	159.82	159.66	161.25	65.59	161.72 (26/11)	55.08 (6/1)	260.29 (15/1/73)	55.08 (6/1/75)
20	Packaging and Paper (13)	100.63	+1.8	21.92	7.58	6.79	6.79	98.86	98.55	98.77	100.79	48.71	107.12 (20/3)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (32)	123.60	+2.2	12.09	5.47	12.65	12.65	120.93	120.70	121.62	125.54	57.27	132.94 (24/10)	52.63 (6/1)	204.39 (16/7/72)	52.63 (6/1/75)
22	Textiles (23)	169.63	+3.9	15.16	6.77	8.56	8.05	165.64	164.54	164.40	156.20	64.70	162.58 (12/11)	62.91 (6/1)	255.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	209.70	+2.1	16.16	6.42	9.42	9.43	205.49	206.44	208.08	212.57	118.94	218.96 (12/11)	109.92 (6/1)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	60.46	+0.7	25.31	6.57	5.98	5.98	60.06	60.43	61.96	63.26	24.60	65.76 (20/11)	20.98 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (85)															
25	Chemicals (24)	190.52	+1.7	14.60	5.06	9.60	9.39	187.39	188.18	188.49	190.68	74.78	193.68 (24/11)	73.14 (6/1)	201.92 (31/1/69)	71.20 (12/12/74)
26	Office Equipment (10)	88.02	+1.4	15.15	5.93	9.26	9.36	86.82	87.79	88.34	89.71	31.56	104.78 (17/4)	45.34 (2/1)	246.06 (1/3/72)	45.34 (2/1/75)
27	Shipping (12)	377.72	+0.6	19.95	6.43	6.41	6.16	375.57	377.42	381.24	392.20	222.81	404.16 (18/11)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (47)	150.97	+3.1	16.10	6.61	9.33	9.23	146.37	147.21	149.95	152.78	68.93	156.56 (12/11)	60.39 (6/1)	258.63 (25/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	146.55	+2.3	14.88	5.87	9.85	9.80	143.12	143.70	144.94	147.81	65.32	151.58 (18/11)	59.19 (6/1)	220.17 (1/6/72)	59.01 (13/12/74)
30	OILS (4)	323.52	+0.7	15.55	4.98	7.18	6.45	321.17	321.15	321.17	325.55	119.03	350.18 (12/11)	105.83 (2/1)	451.66 (29/5/69)	87.25 (29/5/62)
31	500 SHARE INDEX	161.11	+2.0	14.98	5.73	9.32	9.07	157.93	158.46	159.62	162.48	68.08	167.07 (18/11)	65.49 (6/1)	227.96 (15/3/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	133.91	+2.5	—	5.32	—	—	130.68	131.41	133.31	135.56	58.00	148.45 (20/5)	56.50 (6/1)	241.41 (11/3/72)	55.38 (13/12/74)
33	Banks (6)	164.04	+2.9	17.93	4.91	8.54	8.54	159.42	156.90	161.78	162.52	65.04	177.11 (5/6)	62.56 (2/1)	288.32 (25/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	164.29	+1.3	—	7.50	—	—	162.21	162.02	164.01	165.68	66.66	171.13 (12/11)	84.13 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	94.53	+1.0	—	6.72	—	—	93.42	91.40	92.80	96.06	52.76	134.39 (13/5)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	118.01	+2.5	—	5.79	—	—	115.39	117.49	119.88	124.76	47.62	129.51 (12/11)	44.88 (2/1)	194.46 (15/3/72)	44.68 (2/1/75)
37	Insurance (Composite) (7)	107.40	+3.1	—	6.57	—	—	104.20	105.61	106.46	107.51	47.85	123.90 (30/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	220.25	+1.8	9.48	3.98	15.55	15.83	216.92	218.04	221.48	226.44	73.25	232.39 (18/11)	68.96 (7/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (19)	85.48	+2.0	—	6.04	—	—	83.84	83.77	86.22	88.06	36.66	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	158.38	+2.1	3.68	3.66	44.62	42.41	155.09	156.41	160.26	162.31	83.42	241.22 (22/4)	86.19 (7/1)	357.40 (8/11/73)	56.01 (20/9/66)
41	Miscellaneous (4)	78.11	+1.7	12.85	6.16	12.46	12.30	76.79	80.14	80.14	80.81	34.51	80.81 (26/11)	34.78 (10/1)	303.15 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.32	+1.6	2.94	4.17	34.03	34.01	168.62	170.49	172.84	174.64	75.78	178.53 (5/6)	73.43 (6/1)	245.79 (23/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	154.89	+2.1	—	5.56	—	—	151.72	152.38	153.76	156.41	65.94	160.63 (12/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (9)	378.60	+0.5	17.06	8.86	6.95	6.93	376.64	377.80	384.94	387.41	296.17	525.43 (25/1)	281.86 (2/1)	555.37 (13/7/73)	84.68 (22/6/66)
45	Teas (10)	111.13	−0.2	41.63	9.46	6.61	3.45	111.32	111.32	109.69	109.57	77.15	124.57 (11/11)	76.76 (10/1)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	257.21	−1.5	46.98	6.68	2.13	2.13	261.04	263.84	260.68	267.01	363.85	467.74 (21/5)	255.37 (17/11)	567.78 (13/1/75)	94.08 (26/6/62)
47	Mining Finance (11)	110.14	+1.6	10.68	6.64	10.58	10.39	108.43	108.37	108.68	109.48	90.05	141.54 (5/5)	80.58 (22/1)	175.90 (25/4/69)	66.31 (30/9/74)
48	Tins (5)	91.67	−0.4	13.64	9.85	10.46	9.91	92.06	96.40	97.11	97.83	59.34	114.49 (5/6)	58.91 (6/1)	125.45 (12/1/75)	54.85 (25/5/71)
49	Overseas Traders (13)	215.48	−1.0	15.56	4.35	8.22	8.22	210.12	211.19	214.75	219.17	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.57 (6/1/75)

	FIXED INTEREST	Tuesday, Dec. 2 Index No.	Yield %	Monday Dec. 1	Friday Nov. 28	Thurs. Nov. 27	Wed. Nov. 26	Tuesday Nov. 25	Monday Nov. 24	Friday Nov. 21	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.94	14.94	14.92	14.80	14.79	14.79	14.78	14.76	16.98	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.17	‡14.04	46.18	46.44	46.73	46.75	46.61	46.59	46.62	40.64	55.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.88	‡16.03	45.94	46.16	46.18	46.07	46.07	46.00	46.00	37.56	50.68 (21/5)	37.01 (3/1)	113.43 (22/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	46.25	14.96	46.21	46.52	46.52	46.62	46.57	46.57	46.48	34.55	47.50 (29/5)	35.35 (3/1)	114.41 (13/9/65)	34.66 (4/12/74)
5	Coml. and Indl. Prefs. (20)	63.65	14.87	63.64	63.92	64.18	64.25	64.36	64.42	64.50	49.28	68.02 (6/8)	47.67 (6/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31.12.74	100.00	Miscellaneous Financial	31.12.70	128.06
Engineering (Heavy)	31.12.71	153.84	Food Manufacturing	29.12.67	114.13
Engineering (General)	31.12.71	153.84	Food Retailing	29.12.67	114.13
Wines and Spirits	16.1.70	144.76	Insurance Brokers	29.12.67	96.67
Toys and Games	16.1.70	135.72	Mining Finance	29.12.67	100.00
Office Equipment	16.1.70	162.74	All Other	10.4.62	100.00
Industrial Group	31.12.70	128.20			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p, Commonwealth 18p, Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
EMI	50p	13	234	+6	237	82
ICI	£1	14	314	+1	[illegible]	118
Spillers 'New'	Nil/pd.	13	4½*	—	5½*	1*
Marks & Spencer	25p	12	100	+1	[illegible]	47½
Rank Org. "A"	25p	12	137	−1	205	78
Tube Invs.	£1	12	296	+8	312	121
Bt. H. Sts. 'New'	Nil/pd.	11	57*	+3	76*	54*
BP	£1	11	368	+8	509	190
Metal Box	£1	11	274	+2	286	109½
Shell Transport	25p	11	370	—	390	118
Grand Met.	50p	10	73	+1	73½	17½
Royal Insurance	25p	10	306	+8	320	108
Boots	25p	9	135	+4	145	43½
Coats Patons	25p	9	63	+4	63½	22½
GKN	£1	9	236	+4	277	95

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 25	Dec. 8	Feb. 19	Mar. 2
Dec. 9	Dec. 22	Mar. 4	Mar. 16
Dec. 23	Jan. 6	Mar. 18	Mar. 30

"Calls" were dealt in Lonrho, Glynwed, National Westminster Bank Warrants, William Mallinson and Denny Mott, Swan Hunter, MEPC, Royco, Burmah Oil, Henderson Kenton, Dunlop, British Car Auction, Lex Service, Whessoe, Slater Walker, Siebens Oil and Gas and B. Sunley. No "puts" were reported, while "doubles" were arranged in "Lofs," Lonrho, Glynwed, Amalgamated Investment and William Mallinson and Denny Mott.

Industrials		Guardian	20	Spillers	5	Shell	28
A. P. Cement	16	G.K.N.	22	Tesco	6	Ultramar	20
Assoc. Leisure	5	Hawker Sidd.	27	Thorn "A"	20		
Barclays Bank	25	House of Fraser	8	Tube Invest.	27	**Mines**	
Beecham	28	I.C.I.	21	Unilever	40	Anglo Amer.	50
Boots Drug	12	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
Bowaters	16	I.C.L.	7	Vickers	13	Charterhall Fin.	6
B.A.T.	30	Inveresk	7	Williams Hud'n	4	Cons Gold	18
British Leyland	7	Legal & General	18	Woolworths	6	De Beers Def.	35
BOC Intl.	6½	Ladbroke	11			F.S. Geduld	350
Burton 'A'	7	Lloyds Bank	22	**Property**		Great Boulder	12
Cadburys	6	"Lofs"	5½	Amal. Inv.	4	Hampton Areas	14
Courtaulds	11	"Mams"	8	Brit. Land	54	Hampton Prop.	4
Debenhams	8	Marks & Spencer	11	Cap. Counties	4½	Kloof	140
Distillers	15	Midland Bank	25	E.P.	8	Lonrho	13
Dunlop	6½	Nat. West Bank	22	Land Securities	18	Loraine	55
Eagle Star	13	do. Warrants	10	MEPC	9	Poseidon	55
E.M.I.	17	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
Gen. Accident	16	Plessey	8	Town & City	4½	Rio T. Zinc	20
Gen. Electric	18	R.H.M.	6	Town & Comm.	4	Welkom	55
Glaxo	35	Rank Org. 'A'	18			West Areas	75
Grand Met.	7	Reed Int'l	25	**Oils**		Western M'ng.	18
G.U.S. 'A'	17	Rothmans	4	Brit. Petroleum	42		
		Slater Walker	5½	Burmah Oil	4		

NEW HIGHS AND LOWS FOR 1975

The following securities (number in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (55)

CORPORATION LOANS (1): Essex Stpe. '75-77
AMERICANS (2): Intl. Hldgs., Richardson-Merrell
CANADIANS (1): Hudson Bay Oil Gas
BANKS (2): Aust. & NZ Bk., Ireland, HK & Shanghai
BEERS (1): Bell (A.)
BUILDINGS (8): BPB 7½pcCnv. '88/94, Baggeridge Brick, Breedon Clay, Crossley Bldg., Jennings (A.V.), Lawrence (W.), Marshalls (Halifax), Watts Blake Bearne
CHEMICALS (1): Lankro
ELECTRICALS (4): Campbell Isherwood, EMI, Do. 8½pcCnv. 1981, Electronic Machine, Muirhead
ENGINEERING (3): Bullough, Gen. Eng. (Radcliffe), IMI, Serck, Weir Group
FOODS (2): Alpine Soft Drinks, Assoc. Brit. Foods, Squirrel Horn
INDUSTRIALS (6): Braby Leslie, Christie-Tyler, Davies Newman, Hanimex Corp., Hensher (A.), Hill (Chas.)
INSURANCE (1): Gen. Accident
MOTORS (1): Bluemel Bros.
NEWSPAPERS (3): Assoc. Book Pubs., Liverpool Daily Post, Thomson Org.
PAPERS (2): Chapman (Balham), TPT
SHOES (1): Strong & Fisher
TEXTILES (3): Carrington Viyella, Mackay (H.), Shaw Carpets
TOBACCOS (1): Rothman's Intl.
TRUSTS (3): Camellia Invs., Trans. Oceanic, Charterhouse Grp.
OILS (2): Anglo-Ecuador, Royal Dutch
MINES (1): Southvaal

NEW LOWS (9)

FOODS (1): Rakusen
INDUSTRIALS (1): Cuthbert (R. & G.)
PROPERTY (1): Chown Secs.
SOUTH AFRICANS (1): Gold Fields Prop.
TRUSTS (1): Kellock Loan
MINES (4): Wit. Nigel, Southvaal, Gold & Base, Botswana RST

BASE LENDING RATES

AFI International
Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Copleys Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits [illegible]
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 [illegible] and over £25,000 [illegible]
§ Demand deposits [illegible]

CORAL INDEX
Close 366-371

I.G. INDEX
GOLD 138½-141½

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Fall in interest rates

Bank of England Minimum Lending Rate 11½ per cent. (since November 28, 1975)

Short-term fixed period interest rates were generally easier in the London money market yesterday. The discount houses buying rate for Treasury bills and fine bank bills fell by 1/16 per cent. to 1/16 per cent. and fixed period interest rates tended to decline, with the three-month sterling certificate yield quoted at 11¼-11⅛ per cent., against 11 5/16-11 3/16 per cent. previously.

Day-to-day credit was in good *supply and the authorities did not* intervene.

Banks brought forward surplus balances from Monday and an excess of Government disbursements over revenue payments to the Exchequer was also in the market's favour. On the other hand the market was faced with a net take-up of Treasury bills, an increase in the note circulation and repayment of the previous day's official advances.

Discount houses paid 10¾-11 per cent. *for secured call loans* at the start, but by the close rates had eased to 9¾-10 per cent.

In the interbank market overnight loans commanded 10¾-11 per cent. in early dealings, but fell to 9¾-10 per cent. at lunch. During the afternoon money was available at 9 per cent. and closing rates were in the region of 10 per cent.

Rates in the table below are nominal in some cases.

Dec. 2 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit†	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	—	9-10⅛	—	—	—	10¾-12½	9¼-11	—	—	—
2 days notice	—	—	11-11⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	10¾-11⅛	11⅛-11¼	—	—	—	10¾-11¼	—	—	—
One month	11⅛-10⅞	11-11⅛	11⅛-11¼	11⅛-11	11¼-12½	—	10⅞-11	10⅛	11 1/16	11½
Two months	11 3/16-11 1/16	11 1/16-11 3/16	—	11½-11	11¼-12½	—	10⅞-10 15/16	10⅝-10⅞	11 1/16-11	11½
Three months	11¼-11⅛	11 5/16-11 7/16	11⅛-11 3/16	11½-11	11¼-12½	—	10⅞	11-10 15/16	11	11⅝
Six months	11 7/16-11 5/16	11¼-11⅜	11 7/8-11½	11½-11	11¼-12½	—	—	—	11	12
Nine months	11⅝-11½	11 9/16-11 11/16	—	11¾-11½	11½-13	—	—	—	—	—
One year	11 13/16-11⅝	11⅝-11 13/16	12½-12⅞	11¾-11½	11½-13	—	—	—	—	—
Two years	—	12-12⅛	12⅝-12⅞	13¼-12¾	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 12⅞ per cent.; four years 13¼-13⅜ per cent.; five years 13½-14 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-months bank bills 11 per cent.; and four-month trade bills 11⅞-11½ per cent. Approximate selling rates for one-month Treasury bills 10⅛-10 11/16 per cent.; two months 10⅛-10⅜ per cent.; three-month 10 31/32-10⅞ per cent. Approximate selling rate for one-month Bank bills 10 15/16 per cent.; two month 10 15/16 per cent., and three-month 10 15/16-10⅞ per cent.; for one-month trade bills 11½ per cent.; two-month 11 5/32 per cent.; and three-month 11 5/32 per cent.

Finance House Base Rate (published by the Finance Houses Association) 12 per cent. from December 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 11 per cent. Treasury Bills: Average tender rates of discount 10.5590 per cent.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

7.10p	35	......	P.M.A.	36	......	Concrete Prods.	95	......
	9	......	Pearce (C. H.)	80	......	Goodbody (£1)	24	......
	44	......	Peel Mills	12	......	Heiton (Hldgs.)	29	......
5p	16	......	Richards 10p	13½	......	Irish Distillers	70	......
50p	115	......	RobbCaledon£1	36	+1	Irish Wire	40	......
& Sons	11	......	Sayers 12½p	7	......	Jacob	69	......
(L.)	66	+2	Sheffield Brick	65	......	Sunbeam	10	......
			Sheff. Refrshmt.	140	......	Unidare	63	......

OFFSHORE AND OVERSEAS FUNDS

Schlesinger Fnd. Mgrs. (Jersey) Ltd.
P.O. Box 197, St. Helier, Jersey. 0534 27311

Intnl. Fd. Jersey	101p	106		
Int. Fd. Luxemb'g	$US9.88	10.36	-0.02	

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, E.C.2. 01-588 4000

Chapld. Nov. 28	$US10.35		+0.10	3.67
Trafalgar Oct. 31	$US70.91		......	—
Asian Fd. Dec. 1	$US9.91	11.16	......	3.52

Singer & Friedlander Ldn. Agents
20, Cannon St., EC4. 01-248 9646

Dekafonds	DM29.87	30.40	......	5.92
Tokyo Tst. Nov. 28	$24.23		......	2.52

Slater Walker Ins. Co. (C.I.) Ltd.
2, Grange Place, St. Peter Port, Guernsey

Worldwide Nov. 3		66.3	......	3.60

Slater Walker (Jersey)
2-6, Church St., St. Helier, Jersey. 0534 37361

Growth Invest.	229.1	247.7		2.50
Intnl. Fd.	58.0	62.7	......	2.79
Jersey Energy Tst.	116.8	126.3		3.30

Value at Nov. 28. Next dealing date Dec. 8

Target Trust Mgrs. (Cayman) Ltd.
P.O. Box 710, Grand Cayman, Cayman Is.

Tgt. Offshore Cap.	0.523	0.560	-0.01	—

Price on Dec. 3. Next dealing date Dec. 10

Warburg Invest. Mngt. Jrsy. Ltd.
9 Church St., St. Helier, Jsy. C.I. 0534 35511

CMF Ltd. Nov. 27	$US10.19	10.86	......
CMT Ltd. Nov. 27	£10.32	10.59	......
Metals Tst. Nov. 20	£9.40	9.63	......
TMT Nov. 13	$US9.30	10.50	......
TMT Ltd. Nov. 13	£10.54	10.81	......

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg.

World Wide Gth. Fd.	$US10.99	+0.07

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ★ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium [illegible] (based on $[illegible] per £)

CANADIANS

S.E. List Premium [illegible] (based on $2.0474 per £)

Conversion factor 0.6556 (0.6341)

BUILDING INDUSTRY—Continued

1975 High	1975 Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's	P/E
40	15	Manders (Hldgs)	35	.....	†1.9	2.9	8.5	6.2
121	24	Marchwiel	118xd	+3½	†2.77	6.6	3.6	6.9
93	30	Marley	90	+3	2.66	2.6	4.9	9.8
78	27	Marshalls (Hfx)	78	+3	4.26	2.5	6.5	7.2
95	23	May & Hassell	83	.....	2.29	6.9	4.2	4.5
34	13	Mears Bros	20	.....	1.52	1.4	11.7	9.2
62	35	Melville D & W	61xd	+1	†3.32	3.9	8.4	5.1
59	18½	Meyer (Mont L.)	57	+1½	1.91	3.9	5.2	7.7
60	11	Milbury	48	.....	1.92	3.2	6.4	7.4
20	9	Miller (Stan) 10p	20	+2	d1.54	2.2	11.8	5.8
55	20	Mixconcrete	50	.....	2.21	0.4	6.8	59.9
40	13	Mod Engineers	40	.....	†d2.57	2.3	9.9	6.8
53	12	Monk (A.)	42	.....	3.93	0.8	15.3	12.9
*85	30	Mowlem (J.)	77xr	+½	b4.43	3.5	8.8	6.2
103	44	Newarthill £1	62	.....	4.0	1.9	9.9	8.0
10	5	North'n Dev. 10p	10#	.....	‡1.35	—	‡	—
40	16	Norwest Holst	40	+1	0.87	—	3.3	—
94	45	Nott. Brick 50p	94	.....	6.2	1.8	10.2	8.6
46	12½	Orme Devs. 10p	41	+1½	2.25	2.1	8.4	8.8
78	26	Parker Timber	75	+1	2.14	7.5	4.4	4.7
80	39	Phoenix Timber	63	.....	3.2	1.0	7.8	19.9
56	28	Pochins	52	.....	3.75	4.5	11.1	3.0
29	15	Rawlings Bros	24	.....	‡1.62	0.8	‡	—
67	23	R.M.C.	83	+3	‡3.4	1.7	6.3	17.3
109	29½	Redland	105	+4	12.84	2.7	4.2	11.9
17	8	Reed & Mallik	13	.....	—	—	—	12.1
72½	25	Rich'ds Wall 10p	60	+½	3.72	2.8	9.5	5.7
77	49	Roberts Adlard	72	.....	3.26	2.9	7.0	7.7
49	25	Rohan 10p	25	.....	—	—	—	—
48	12	Rowlinson 10p	47xd	.....	†1.84	3.5	6.0	7.3
27½	7	Rowen Group	24½	+2	2.0	1.7	12.3	8.3
31	11	Ruberoid	19	.....	‡1.88	1.2	‡	—
84	29	Rugby P. Cement	79	+3	†2.65	2.7	5.2	10.4

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Trusts, Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	290	+12	tQ115c	ϕ	‡
£14	520	E. Rand Prp R1	540	+5	tQ125c	ϕ	‡
105	24	Rand Leases 20c	25	.....	—	—	—
£34½	£15¾	Randf'tn Est. R2	£17	+¾	—	—	—
500	130	West Rand R1	135	.....	tQ40c	1.3	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	65	Bracken R1	170	+10	Y52c	ϕ	26.9
23	5	Daggafontein 20c	11	+1	—	—	—
105	33	East Dag. R1	33	.....	tQ25c	ϕ	‡
140	£	Grvit. Areas 5c	140	.....	—	—	—
360	110	Grootvlei 30c	115	+5	tQ12c	1.3	‡
820	385	Kinross R1	425	+15	[illegible]	ϕ	[illegible]
90	62	Leslie 75c	65	+1	[illegible]	ϕ	15.3
550	165	Marievale R0	160	—	[illegible]	1.1	‡
725	175	S. African Ld. 35c	180	+5	[illegible]	1.3	‡
265	82	Vlakfontein R1	90	.....	tQ25c	1.3	‡
£13¾	650	Winkelhaak R1	700	+20	Q105	ϕ	[illegible]
120	33	Wit. Nigel 25c	33	−2	—	—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	615	Blyvoor 25	665	+45	Q190c	1.3	8.3
£21½	£12½	Buffels R1	£13¾	+¾	Q150c	1.4	7.5
430	180	Deelkraal R0.20	190	+2	—	—	—
[illegible]							

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
6½	3	Burma Mine 17½p	8	.....	m0.5	—	1.7
65	17	Charterhall 5p	34	+1	—	—	—
115	40	Colby Mines $1	59	.....	—	—	—
910	360	Cons. Murch. 10c	750	−10	tQ130c	2.2	‡
53½	29½	Lornaco	37½	−½	—	—	—
375	200	Northgate C$1	240	−10	tQ25c	1.0	5.8
211	80	R.T.Z.	179	+1	g5.51	4.6	4.7
135	47½	Sabina Inds. C$1	113	−1	—	—	—
81	45	Stanford Mines$1	53	.....	—	—	—
£12½	874	Tara Explm. $1	£10¼	.....	—	—	—
78	38	Yukon Cons. C$1	70	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits
- ⁑ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ψ Excluding a final dividend declaration.
- ∓ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES

Wednesday December 3 1975

Watchdog backs reactor next step

By David Fishlock, Science Editor

TACIT approval has been given to the next stage of fast "breeder" reactor development in Britain by the pollution watchdog body, the standing Royal Commission on Environmental Pollution.

This will be the construction of a large-scale demonstration power station, probably of 1,300 MW, based on the fast reactor—a project likely to cost up to £1bn.

In a letter to the Prime Minister, published yesterday, Sir Brian Flowers, chairman of the Royal Commission, argues that Britain will be better prepared to make up its mind about the advisability of using fast reactors on a large scale if it has the experience of building and operating a commercial-size plant.

His letter stresses that the primary purpose of such a project would be to discover whether the hazards implicit in a fast reactor programme in Britain "can be made acceptably small."

The Royal Commission is anxious to establish that the project should not attempt to be commercially competitive. The station should be on a remote (coastal) site, and should also include its own fuel fabrication and spent fuel reprocessing facilities, to remove any risks from the transport of plutonium.

The letter also suggests that the site should be equipped with "every means of protection," including physical security systems and an armed police force.

"The extra costs associated with such a project are the inevitable price of a safe and responsible programme to assess the hazards of commercial fast reactors," it continues.

Deflect

The letter says that the Royal Commission was "concerned that *such a venture might deflect this* country from the search for alternative long-term sources of energy, whose potential environmental hazards might be far less than those of a fast reactor programme, and from the implementation of a vigorous policy of energy conservation."

Some official projections of long-term energy demand are so great, it says, that even if it were possible to build fast reactors fast enough, it was doubtful whether we could find enough uranium to provide them with fuel in the first place.

The underlying purpose of the letter was to ensure that no irrevocable decisions were taken about the future of the fast reactor in the U.K. before a report it is preparing has been completed.

This report will be a wide-ranging survey of nuclear energy and the public interest. The Commission had planned to complete it this year, but a government request in June 1974 that it should undertake as a matter of urgency a study of air pollution has upset its plans.

There have been indications that the Government wanted to embark on international commitments in Europe for the development of commercial fast reactors.

Sir Brian said yesterday that he believed one of the important things a large-scale demonstration project could achieve was to help build up public confidence in nuclear technology.

The Department of Energy said last night that present indications were that a first demonstration fast reactor could be ordered "around 1978." It would certainly be on a remote site, to conform with the Department's policy for any new nuclear system.

Editorial comment, Page 18

Iran buys Rapier in £186m. deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE IRANIAN Government is to buy the "tracked" version of the British Aircraft Corporation's Rapier low-level anti-aircraft missile system in a £186m. deal announced yesterday.

The deal, which envisages the eventual production of the Rapier missile under licence in Iran, brings the value of export orders for this weapon system to more than £400m.

Iran is already buying the conventional battlefield version of the Rapier for army and air force use, and the purchase of the latest version, which will be mounted on tracked vehicles built in the U.S., is intended to complement its anti-aircraft missile capability.

Several other U.K. companies share in the BAC deal, including Decca, which is providing the main surveillance radar and tracking for Rapier; Barr and Stroud, supplying the optical tracking system; and Cossor, providing the "Identification Friend or Foe" IFF system. Marconi already provides the "blindfire" radar system for Rapier.

The deal is regarded as a major achievement for BAC Guided Weapons Division, in the face of tough foreign competition, especially from the Franco-German Roland surface-to-air missile.

The contracts, which will be negotiated in detail over the next few months, provide for Iran to buy completed missiles from BAC, installed on tracked vehicles of the M-548 class built by the FMC Corporation of San Jose, California.

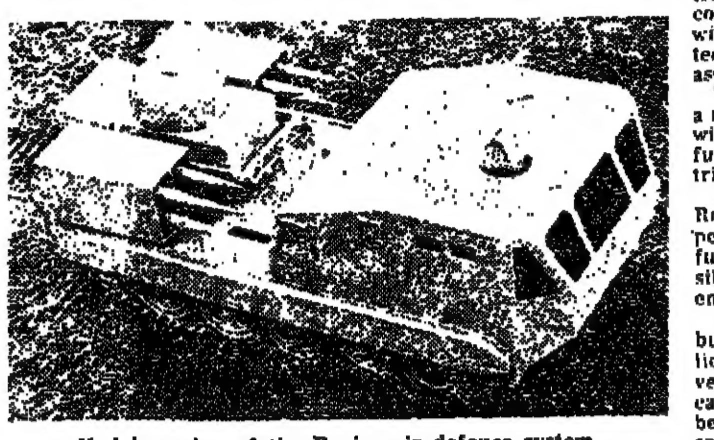
This vehicle has already been produced in large quantities (over 4,000) for use in many countries. BAC has modified it at its Filton, Bristol, factory for use with Rapier.

Eventually, the BAC will help Iran to set up a production line for Rapier missiles, both for the tracked vehicles version and the conventional towed type. This *will involve BAC in training* technicians and providing other assistance to Iran.

The latest deal is regarded as a major breakthrough for Rapier, with the prospect of substantial further orders from other countries interested in the missile.

● Sir Kenneth Keith, Rolls-Royce (1971) chairman, is expected to visit Peking soon for further discussions over a possible order for the Spey jet engine.

The Chinese are interested in building the engine under licence to enable them to develop their own aero-engine capability and are believed to be satisfied with the Spey's specifications.



Model version of the Rapier air defence system.

Frankfurt court freezes Nigerian bank's assets

BY GUY HAWTIN

FRANKFURT, Dec. 2.

A FRANKFURT civil court today took the unusual step of freezing the assets of the Nigerian Central Bank held by the Deutsche Bank here. It is understood that the sum involved is around $12m. The money will be held pending settlement of a DM40m. claim against the bank in connection with Nigeria's embarrassment of cement deliveries.

But banking circles in Frankfurt believe that had the action, which started early in November, taken place just a few days before, a much larger sum could have been involved. It is understood that the Nigerians paid some DM60m. out of the Deutsche Bank account in a normal business transaction with a leading foreign bank here shortly before the interim injunction was granted.

The case is understood to be an unusual one in that the Nigerians argued that the assets of their central bank were immune from such actions—in exactly the same way as embassy property. This, the court ruled, was not so in the case of the Nigerian Central Bank which, it had earlier been argued, had operated as a business in that it issued letters of credit and settled commercial accounts.

Further cause for controversy is the uncontested fact that the deal from which the claim has resulted was concluded outside the Federal Republic of Germany. The contract was signed in Vienna although payment was to be made against an irrevocable letter of credit, isued by the *Central Bank of Nigeria, to be* drawn against its Frankfurt account with the Deutsche Bank.

It seems certain that the Nigerians will appeal against the Frankfurt Court's decision, but until then the assets remain frozen. Among the aspects of the case that will be contested is the application of paragraph 23 of the West German code of civil procedure, which states that assets held in West Germany can be seized to pay a debt arising from transactions in third countries.

This paragraph is regarded as rather controversial by some lawyers here as it makes no distinction as to the ownership of the assets— whether they belong to foreigners or West Germans. Indeed, there could be important implications in the case for overseas concerns operating in the Federal Republic.

The application for the injunction was made by Yossef Nada Establishments, a Liechtenstein-registered concern which operates out of many important busines centres including Vienna. The case appears to have arisen because of Lagos Harbour's inability to handle the vast quantities of cement ordered for development projects, many of them in the public sector.

Nada Establishments claims *that some 140,000 tons of cement* were shipped of the Nigerians' order while a further 100,000 tons were sold to third parties at well below the contract price following a Nigerian cable suspending shipments.

A total of 17 ships were despatched of which, by November 21 only seven had been unloaded. Nine were still awaiting unloading to begin while the remaining ship was languishing at the bottom of Lagos Harbour following a collision. Nada Establishments is seeking compensation for demurrage charges for the vessels' waiting time—the concern alleges unloading could take up to 350 days—and for losses on the sale of the suspended 100,000 tons of cement.

Apart from the issues of immunity and jurisdiction, the Nigerians are understood to be contesting the size of the damages as well as the likely length of the unloading delays. They claim unloading should take 180 days.

Air shake-up needed—Varley

BY PHILIP RAWSTORNE

A RADICAL re-organisation of the aircraft industry after nationalisation was foreshadowed in the Commons yesterday by Mr. Eric Varley, Secretary for Industry.

"A sensible planned reduction of capacity in full cooperation with the unions and over a period of time will almost certainly be necessary," he declared.

Mr. Varley, accused by Mr. Michael Heseltine, the Tory industry spokesman, of planning the "run-down" of the industry, refused to predict the eventual size of the labour force after re-organisation.

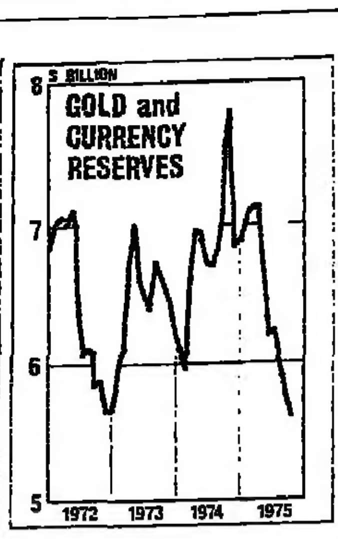
Opening the Commons debate on the Government Bill to nationalise both the aircraft and the shipbuilding industries, Mr. Varley said that the unified control of public ownership was now vital if the industries were to continue to compete in world markets.

Amalgamation of the two main aircraft groups, Hawker Siddeley and the British Aircraft Corporation, was urgent and long overdue.

"We are absolutely convinced that the merger will provide greater opportunities for doing the same things more efficiently, more cheaply and for selling more British goods abroad."

Public ownership was now the only means of saving the shipbuilding industry, Mr. Varley added. The industry, suffering from out-dated facilities, bad labour relations, low investment and productivity, and lack of co-ordination could not match the power of its foreign competitors.

Parliament, Page 16



$107m. fall in official reserves last month

By Michael Blanden

THE U.K.'s official reserves fell by another $107m. during November, bringing the drop in the past seven months to $1.5bn.

At the end of the month, reserves stood at $5.6bn. The fall was recorded after further public sector foreign currency borrowings under the exchange cover scheme totalling $176m., including $61m. of loans by the European Coal and Steel Community to the National Coal Board and British Steel Corporation and $15m. from the European Investment Bank for the National Water Council.

The extent of the drop reflects a month in which the pound lost ground in foreign exchanges, mainly as a result of the improvement in the position of the dollar. It is not possible to relate reserve figures directly to actual support by the Bank of England during the month, since they are affected by other factors.

Nevertheless, it was felt in exchange markets that the figures might suggest there had been rather more official intervention to steady the decline in sterling than had been apparent.

The general improvement in the dollar, reflecting both the U.S. economic situation and the solution to New York's problems left the pound weaker at *$2.0205 at the end of the month,* down on the month by 5.5 cents.

Average depreciation from December 1971 levels widened during the month from 29.2 per cent. to 30.2 per cent. yesterday after touching 30.3 per cent. at one stage. Against the dollar it was five points lower at $2.0205.

This month it is expected that the further $400m. loan from Iran to the National Water Council will be drawn, boosting reserves in a period when over $200m. of long-term post-war debt service will have to be met.

Drawings have not been made yet on the $2bn. facility from the International Monetary Fund announced last month.

Closed shop test case

By Our Labour Staff

A TEST case of the present closed shop law, which the Government is attempting to tighten against fierce Parliamentary opposition, will come before an industrial tribunal in Leeds today.

The case involves six members of the small Electricity Supply Union dismissed from their jobs at Ferrybridge power station, Yorkshire, *for refusing* to join one of the four recognised unions in the industry's closed shop agreement. The tribunal will have to decide whether the men were fairly dismissed.

Yesterday Mr. Michael Foot, Employment Secretary attacked Press reports on the dispute as "grotesque misrepresentations."

THE LEX COLUMN

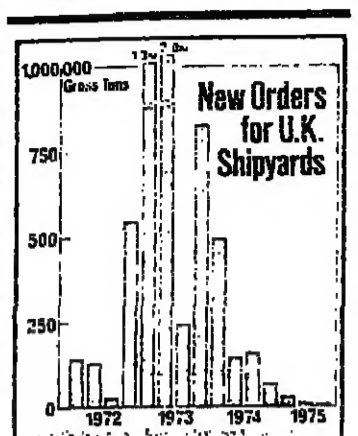
Uncertainties at Swan Hunter

After taking into account £3m. of shipbuilding construction grants, the Swan Hunter Group expects to produce profits in 1975, and to have a net cash balance in the bank at the year end. The interim dividend has been increased, and the hope is that an annual payment costing just over £1m. will be covered. But contrary to its usual practice, the group is not producing interim figures. Swan Maritime's options on 13 ships have yet to be confirmed or cancelled and it is not clear whether any cancellation payments would cover costs incurred to date. In addition, the future of the Tyne Pride, a 260,000 ton tanker currently at the fitting out stage, is still undecided, and although £230m. of vessels are currently under construction (more than a year ago) firm commitments thereafter amount to just £30m.

These certainly count as special circumstances. The only surprising feature is that the decision to publish no figures was not, apparently, taken with Stock Exchange approval.

As far as overall profits are concerned, Swan Maritime is certain to miss the forecast of a maintained contribution to associates this year. The ship-repairing side will probably slip back on 1974's very strong performance, and net interest receipts will also be lower. The group emphasises that it has not asked for financial assistance from the Government, but unless orders pick up in the near future it now seems unlikely that it will quarrel violently with the proposed compensation terms. So although the shares yield over 16 per cent. at 55p, the discount of around two-fifths on the compensation price seems appropriate.

Index rose 5.4 to 366.6



Standard Chartered

Standard Chartered managed to keep its growth record intact last year, unlike many banks, and after six months of 1975-76 it is 9½ per cent. ahead at £46.7m. pre-tax. The fall in the value of sterling has boosted this figure, and with three-quarters of total assets overseas this has also affected the rate of increase in advances—which seems to have been maintained at very roughly the 15 per cent. rate of 1974-75. The former Standard group interests in Africa, over a half of pre-tax profits, are again well up with Nigeria and South Africa particularly strong: the latter has reported a rise of over a fifth even after taking account of the Rand devaluation.

The former Chartered side in Asia has been more affected by the recession and growth in the Far East has been slower than before. Back in the U.K.—possibly around a fifth of profits last year—the main feature is the start of a recovery at Hedge, where profits last year fell to about a quarter of the 1972-73 total—the last year before acquisition.

For the full-year, the main question is whether any further pension and bad debt provisions (totalling £16.7m. last year) will be necessary, but no particular problems have appeared so far. In the absence of these items, the full-year total could approach £95m., against £71.1m. after last year's provisions, for a near doubling of earnings per share since 1970-71. These strengths have been reflected in a firm two year relative share price performance. This has been less marked recently and the prospective yield is 16 per cent. of 373p.

See also Page 22

Ranks Hovis

Ranks Hovis' profits before interest for 1974-75 are £9.8m. higher; within that baking may have been hard pushed to do little more than break-even against £4m. of profits previously, so outside bread the group has managed some impressive growth. The dividend has gone up, but the pattern of interest costs over the year points to only a limited reduction in group debt.

Pre-tax profits are up from £22.8m. to £30.2m., and £2.3m. ahead of the previous p[eak] 1972-73. Margins imp[roved] sharply over the year [...] baking moving out of the [red] in the second half; RH[M] confident that it can stay [...] way this year; and the [...] should have enough str[ength] overseas and in milling to [...] moving forward for 19[76] Meantime, the share's 8.[...] cent. yield at 49p is cov[ered] very nearly twice by earn[ings] on average capital. But inte[rest] costs were still running at [an] annual £10.4m. through [the] second half of last year des[pite] at least four months of ne[t] cash, and adjusting for [...] funding pre-tax profits per sh[are] rose only 15 per cent. to 12[...]

See also Page 21

FFI

Although there has been [a] slight lull in the recent rate [of] inquiries, FFI hopes to have [ad]vanced around £150m. and [com]mitted a good deal more by year-end next March. In the [first] half, when advances only [...] to about £50m., financing [...] £75m. fixed loan was [a] relatively heavy burden [...] Finance for Industry's £[...] turnround into profits [...] entirely thanks to ICFC. [...] FFI's rate of profitability sh[ould] start to improve as it gets m[ore] money out.

It seems unlikely that [...] will want to raise any new f[...] money until next summer [at] least, and there is no ques[tion] of the group requiring any [...] equity capital from its bank [...] shareholders at present. [...] while ICFC's gross investme[nt is] quite a bit down this year, [...] though the rate of applicat[ions] has not changed much. Pa[rt of] the explanation seems to be [the] clearers' increased inte[rest in] medium term advances.

Panel

H. Weidmann triggered [the] mandatory bid provisions [of the] Code when it bought more [than] 1 per cent. of B. S. and Whiteley in 1974-75, taking [its] stake up to 33 per cent. But [the] Panel now ruled that this [is a] "very special case," that a [bid] need not be made and that [in]stead Weidmann should red[uce] its stake to 25 per cent. Cle[arly] the Panel has problems w[ith] overseas bidders. But the s[ug]gestion that it may have be[en] influenced by the possibility [of] the transfer of control overs[eas] is surprising since this is n[ot] of its concern.

Wilson meets consultants' leaders to-day

BY STEWART DALBY AND CHRISTIAN TYLER

LEADERS of the two rival hospital consultants' organisations are to meet Mr. Harold Wilson the Prime Minister, and Mrs. Barbara Castle, the Social Services Secretary, this morning to discuss the worsening situation in the hospital service.

Consultants, who are upset over the Government's intention to legislate private practice out of Health Service hospitals, were invited at the last minute to join a meeting already planned for to-day between the Prime Minister and Sir Rodney Smith, president of the Royal College of Surgeons.

Official industrial action by consultants in protest at the legislation was due to start on Monday, but so far hospitals in most areas have reported little enthusiasm for the ban on all work except emergencies.

Disruption to hospitals, which grew worse yesterday, is due *mainly to industrial action by* junior hospital doctors over the quite separate issue of their overtime pay.

As hospitals struggled to re-arrange services, the Patients' Association said it had received many complaints from people in pain whose treatment had been delayed. There were no reports of emergencies being left unattended.

The situation also prompted the Confederation of Health Service Unions to call on Mrs. Castle to declare a "state of emergency" in the NHS and allocate scarce resources to NHS patients. "We believe NHS patients are being neglected," the union said.

In the junior doctors' overtime pay dispute, first soundings were taken yesterday on a new attempt to reconcile the juniors' claim that their demands can be met without breaking the pay policy with the Government's insistence that they cannot.

A British Medical Association statistician visited the Office of Manpower Economics, which services the doctors and dentists pay review body, to prepare for a full meeting in several days' time.

Dr. David Wardle, the junior doctors' leader, said new overtime figures being collected by doctors showed the overtime pay bill of £12m. was a great underestimate. He was confident that a solution to the dispute could be found.

There will be a separate meeting to-day on the same issue between Department of Health officials and members of the break-away Junior Hospital Doctors Association, which is not represented on the junior doctors' national committee.

Junior doctors will not be represented at the Downing Street talks to-day, when discussion is expected to centre on patients' safety and the private practice controversy.

The Prime Minister will clearly hope to build on consultants' reluctance to take action and urge their leaders to withdraw the sanctions, leaving the issue to be debated in Parliament. He is unlikely to meet their demand that the issue be referred to the Royal Commission set up to investigate the NHS, since that would delay legislation indefin*itely and possibly bring violent* reaction from hospital manual workers.

In this he will be helped by the presence at the talks of the consultants' breakaway body, the Hospital Consultants and Specialists Association, which does not favour the emergencies-only ban recommended by the BMA.

Meanwhile, the pattern of in*dustrial action remained con*fused.

In Bournemouth, Southampton and some hospitals in the Liverpool area consultants opted to work a 40-hour week. But in most places groups of consultants remained undecided whether to reduce their workload and stop providing "cover" for junior doctors.

The action by junior doctors, which began formally last Thursday, has caused a nationwide cut in the admission of non-urgent in-patients. It has also led to the closure or partial closure of many emergency and accident departments and an "abandonment" of various clinics. Junior doctors in Scotland were given the go-ahead for action yesterday, but few are thought likely *to respond.*

In London at least 20 hospitals have been forced to reduce their emergency and accident departments and are dealing with emergencies only.

St. Mary's Hospital in Praed Street, for example, is dealing with medical emergencies only and referring all surgical cases to St. Charles Hospital in North Kensington.

St. Mary's Hospital in Harrow Road is dealing with emergencies only until 5 p.m. Other major London hospitals like St. Bartholomew's, Charing Cross and King's College are managing to keep emergency, as opposed to all-accident, services going.

Three hospitals in East Anglia are diverting emergency cases to other hospitals. Casualty departments in the region are taking only emergencies strongly recommended by general practitioners or those arriving in ambulances.

Most hospitals in the country have been forced to control the number of in-patient admissions. St. Mary's, for example with 450 beds at Praed Street and a similar number in the Harrow Road, has severely cut its intake, although it is still admitting the more pressing cases.

King's College Hospital has had to defer "hundreds" of operations of a "non-urgent" nature as has St. Bartholomew's.

Weather

U.K. TO-DAY

A COLD northerly airstream covers the British Isles and most places will have showers.

N. Wales, N.W. and Northern England, Lakes

Showers with snow on high ground and sunny intervals. Wind strong to gale. Max. 6C (43F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen

Showers, occasionally prolonged, with snow on high ground. Strong to gale winds. Max. 4C 39F).

***Isle of Man*, S.W. Scotland, Argyll, N. Ireland**

Showers with snow on high ground. Winds northerly strong to gale. Max. 5C (41F).

Outlook: Mostly dry

Lighting-up: London 16.24, Manchester 16.24, Glasgow 16.18, Belfast 16.32.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	F	9	48	Madrid	F	7	45
Athens	C	16	61	Manchstr.	C	6	43
Bahrain	S	22	72	Melbourne	C	29	84
Barcelona	F	15	59	Mexico C.	S	19	66
Beirut	S	17	63	Milan	F	6	43
Belfast	S	7	45	Montreal	C	0	32
Belgrade	S	9	48	Moscow	C	0	32
Berlin	C	6	43	Munich	F	3	37
Birmghm.	R	5	41	Newcastle	R	6	43
Bristol	R	7	45	New York	S	3	37
Brussels	C	9	48	Oslo	Sl	2	36
Budapest	S	6	43	Paris	C	9	48
B. Aires	S	29	84	Perth	F	22	72
Cairo	S	24	75	Prague	F	4	39
Cardiff	C	7	45	Reykjavik	R	2	36
Cologne	R	8	46	Rio de J'o	S	29	84
Copnhagn.	R	5	41	Rome	S	15	59
Dublin	S	7	45	Singapore	S	27	81
Edinb'rgh	S	5	41	Stockholm	C	5	41
Frankfurt	R	7	45	Strasbourg	C	10	50
Geneva	C	7	45	Sydney	F	22	72
Glasgow	S	6	43	Tehran	R	10	50
Helsinki	C	1	34	Tel Aviv	S	18	64
H. Kong	S	23	73	Tokyo	S	10	50
Jo'burg	S	23	73	Toronto	Sn	−2	28
Lisbon	R	12	54	Vienna	F	4	39
London	C	9	48	Warsaw	S	5	41
Luxembrg.	R	6	43	Zurich	C	7	45

HOLIDAY RESORTS

Ajaccio	F	14	57	Jersey	S	10	50
Algiers	S	16	61	Las Plms.	S	20	68
Biarritz	C	13	55	Locarno	C	5	41
Blackpool	F	7	45	Majorca	S	16	61
Bordeaux	C	11	52	Malaga	S	15	59
Boulogne	S	9	48	Malta	R	11	52
Casablnca.	S	16	61	Nairobi	C	21	70
Cape Tn.	S	21	70	Naples	C	13	55
Corfu	C	18	64	Nassau	S	26	79
Dubrovnik	F	16	61	Nice	S	10	50
Faro	C	14	57	Nicosia	S	19	66
Florence	C	14	57	Oporto	R	13	55
Funchal	C	18	64	Rhodes	F	16	61
Gibraltar	S	16	61	Salzburg	C	6	43
Guernsey	R	9	48	Tangier	S	15	59
Innsbruck	F	3	37	Tenerife	F	16	61
Inverness	C	6	43	Tunis	F	14	57
I. of Man	S	7	45	Valencia	F	16	61
Istanbul	C	13	55	Venice	S	12	54

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sl—Sleet. Sn—Snow.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4[...]